

APPENDIX E3 – SUBCONTRACTOR’S PERFORMANCE BOND

Project:

Trade:

This deed is made on: (date)

By:

(“The Subcontractor”)

And:

of:

And:

of:

(“The Sureties”)

It is made in the following circumstances

- a) The Contractor has entered into agreement with (the Principal Contract) for (the Head Contract).
- b) The Subcontractor has entered into an agreement with the Contractor to construct, complete, deliver and maintain certain work described in the Subcontract and to carry out and fulfil the obligations imposed on the Subcontractor by the Subcontract.
- c) The Subcontractor is to provide the Contractor with security in the form of a bond.

By this Deed

1. The Sureties jointly and severally unconditionally agree to pay the Contractor on demand from time to time sums up to the aggregate amount of \$NZ (bond sum in words).
2. Any demand from the Contractor must be in writing and signed for and on behalf of the Contractor.
3. The condition of this bond is that it is null and void if:
 - a) The Sureties have paid to the Contractor the aggregate amount in paragraph 1 above or such lesser amount as may be agreed in writing with the Contractor; or
 - b) The defects liability period is ended, or when all notified defects have been remedied, whichever is the later; or
 - c) The Subcontractor and Sureties receive written notification from the Contractor that the bond is no longer required by the Contractor.
4. EXCEPT as provided in paragraph 3 above, this bond must remain in full force and effect.
5. The Sureties are not released from any liability under this bond:
 - a) By any alteration in the terms of the Subcontract between the Contractor and the Subcontractor;
 - b) By any alteration in the extent or nature of the Subcontract Works to be completed, delivered and maintained;
 - c) By any allowance of time by the Contractor under the Subcontract;
 - d) By any waiver of the Subcontractor’s obligations by the Contractor;
 - e) By any default on the part of the Subcontractor; or
 - f) By any notice from the Sureties to the Contractor.
6. The Sureties may at any time deposit with the Contractor the bond sum, or a lesser amount agreed by the Contractor. Upon payment of this amount the liability of the Sureties will be terminated.
7. This bond must not be transferred or assigned.

IN WITNESS HEREOF the parties have executed this bond the day and year set out above.

Signed by the Subcontractor:

Name: _____	Witness: _____
Company: _____	Address: _____
Position: _____	_____
Signature: _____	Signature: _____
Date: _____	Date: _____

Signed by the Sureties:

Name: _____	Name: _____
Company: _____	Company: _____
Signature: _____	Signature: _____
Position: _____	Position: _____
Date: _____	Date: _____

NOTE: This bond must be executed by the Subcontractor and by the Sureties in the manner required for the execution of a deed. Any of these parties that is a company or body corporate must execute the bond by having it signed, under the name of the company, by two or more directors, or, if there is only one director, it is sufficient if the bond is signed under the name of the company by that director, but the signature must be witnessed. In the case of a party who is an individual, the signature must be witnessed and the witness must also add their occupation and address.
