**Data Item Description**

**Parent Company Guarantee**

**PM201**

Prepared by: Vancouver Shipyards Co. Ltd.

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| **Parent Company Guarantee** | **PM201** |

**Purpose**

The purpose of the Parent Company Guarantee is to secure the performance of the Supplier’s obligations under the Subcontract. The Parent Company Guarantee is in addition to, and not a substitute for, other remedies and protection in favour of the Purchaser provided in the Subcontract.

**References**

This Data Item shall comply with the general format, content and preparation instructions set out in Part 1 (INTRO) and Part 2 (PM) of the SOW.

**Preparation Instructions**

This Data Item shall comply with the general format, content and preparation instructions set out in Part 1 (INTRO) of the SOW.

**Format and Content**

1 Complete attachment A to this DID (*pro forma* Parent Company Guarantee).

**Attachment A to DID PM201**

**PARENT COMPANY GUARANTEE**

THIS GUARANTEE made in duplicate as of the [\* insert day] day of [\* insert month] 201[\* insert year].

BETWEEN: **Vancouver Shipyards Co. Ltd.**, a company organized under the laws of British Columbia and having an office at 2 Pemberton Avenue, North Vancouver, British Columbia, CANADA, V7P 2R2 (hereinafter called “VSY”)

OF THE FIRST PART

AND: **[\* insert legal name of the Guarantor]**, a company organized under the laws of [\* insert jurisdiction] having an office at [\* insert municipal address] (hereinafter referred to as the "Guarantor")

OF THE SECOND PART

WHEREAS VSY proposes to enter into Subcontract number [\* insert number](hereinafter referred to as "the "Subcontract") with [\* insert full legal name of the Supplier](hereinafter referred to as the "Supplier") under which the Supplier is to perform the Work as described in the Subcontract; and

WHEREAS the Guarantor acknowledges that VSY is willing to enter into such Subcontract only if the Guarantor guarantees the performance of the obligations of the Supplier under the Subcontract unconditionally and irrevocably; and

WHEREAS the Guarantor has agreed to guarantee to VSY unconditionally and irrevocably the Supplier’s performance of all the Supplier's obligations under the Subcontract;

NOW THEREFORE, in consideration of VSY’s issuance of the Subcontract, and the mutual covenants, promises, conditions and agreements hereinafter set out, the parties hereby agree:

1. The Guarantor unconditionally and irrevocably guarantees the performance and fulfilment of each and every obligation of the Supplier contained in or flowing from the Subcontract. In this Guarantee “obligation” includes all representations and warranties of the Supplier, all undertakings and promises of the Supplier and the payment of all damages for which the Supplier may become liable to VSY in relation to the Subcontract.

2. VSY shall not be obliged to resort to or exhaust any recourse which it may have against the Supplier or any other person before being entitled to claim against the Guarantor.

3. If the Supplier should fail to perform or fulfill any of its obligations, then forthwith upon the date of receipt by the Guarantor of a written call from VSY, the Guarantor shall undertake or cause to be undertaken the performance of all outstanding obligations as a primary obligor and not as surety, and the Guarantor does hereby guarantee to indemnify and save harmless VSY from and against all damages and claims of any nature relating to or occasioned by the Supplier’s failure to perform or discharge each and every one of the obligations, conditions and liabilities on the part of the Supplier to be observed or performed under the Subcontract.

4. It is further understood and agreed that the receipt by the Supplier or the Guarantor of any monies paid by VSY to the Supplier or the Guarantor, as the case may be, under or in respect of the Subcontract, shall be in complete discharge and release to VSY for and in respect of all monies so paid irrespective of the date when or the party to whom, but for this Guarantee, such monies were or might, or would have been payable.

5. No dealings of whatsoever kind between VSY and the Supplier whether with or without notice to the Guarantor, shall exonerate the Guarantor in whole or in part, and in particular, but without limitation, VSY may modify, amend or vary the Subcontract, exercise options, issue new subcontracts, grant any indulgence, release, postponement or extension of time, waive any term or condition of the Subcontract or any obligation of the Supplier, take or release any securities or other guarantees for performance and otherwise deal with the Supplier, the Subcontract in question, and any other persons as VSY may see fit, without affecting, lessening or impairing in any way the liability of the Guarantor.

6. No assignment of the Subcontract, sub-subcontract or any other dealings therewith by the Subcontractor, whether with or without the consent of VSY, shall affect this Guarantee.

7. Nothing whatsoever except the performance in full of all of the obligations of the Supplier under the Subcontract shall discharge the Guarantor of this Guarantee.

8. Wherever any determination of any dispute is made pursuant to the provisions of the Subcontract or any settlement or any judgment or finding of a court of competent jurisdiction is issued or made which is binding upon the Supplier in respect of the Subcontract, such determination or judgment or finding shall be binding upon the Guarantor.

9. Any settlement between the Supplier and VSY and any determination made pursuant to any provision of the Subcontract which is expressed to be binding upon the Supplier shall be immediately binding upon the Guarantor.

10. This Guarantee shall not be impaired by any loss of any security now or hereafter held by or on behalf of VSY, whether occasioned through its fault, negligence or otherwise (including without limitation any loss occasioned by the failure to register, perfect, maintain the registration or perfection of, re-register, re-perfect or renew any such security or filing of any financing statement, financing change statement or other document, instrument or thing whatsoever).

11. Demands and calls under this Guarantee may be made by VSY from time to time.

12. No delay on the part of VSY in exercising any of its options, powers or rights hereunder or any partial or single exercise thereof shall constitute a waiver thereof. No waiver of any of VSY's options, powers or rights hereunder and no modification of this Guarantee shall be effective unless the same shall be in writing, duly signed on behalf of VSY and each such waiver, if any, shall apply only with respect to the specific instance involved, and shall in no way impair the options, powers or rights of VSY or the obligations of the Guarantor hereunder in any other respect or at any other time.

13. This Guarantee is in addition and without prejudice to any security of any kind or any other Guarantee which may at any time after the date hereof be acquired by VSY and any other rights or remedies that VSY might have against the Supplier.

14. This Guarantee shall be in force and effect from the date of execution of the Subcontract until all obligations of the Supplier under the Subcontract have been fulfilled to the satisfaction of VSY.

15. This Guarantee shall be governed by the laws in force in the Province of British Columbia, Canada, and the Guarantor submits to the jurisdiction of the Canadian courts in respect of this Guarantee.

IN WITNESS WHEREOF this Guarantee has been executed and sealed on behalf of VSY by the authorized officers of VSY and by the Guarantor under its corporate seal duly attested by the hands of its respective officers authorized in that behalf.

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| **SIGNED, SEALED AND DELIVERED:** | | |
| **VANCOUVER SHIPYARDS CO. LTD.** |  | **[\* INSERT LEGAL NAME OF PARENT COMPANY]** |
| Signature |  | Signature |
| Name/Title |  | Name/Title |
| Corporate Secretary |  | (I have authority to bind the Guarantor) |