SCHEDULE 7

FORM OF PARENT COMPANY GUARANTEE

Parent Company Guarantee

between

[PARENT COMPANY]

and

[CLIENT]

Relating to the

Maintenance and Management Contract for TfL Road Tunnels and Pumping Stations

(Letterhead of Parent Company)

To: [*insert name and address of the Client*]

Date:

Dear Sir/Madam

We, [*insert name of Guarantor*] ("**the Guarantor**"), understand that

(a) [you/Transport for London] entered into a TfL Road Tunnel Apparatus and Pump Station Management Contract with [*insert name of Service Provider*] ("**the Service Provider**") dated [DATE] ("**the Agreement**") under which the Service Provider has agreed to provide works or services in accordance with the terms and conditions of the Agreement on the condition that the obligations of the Service Provider under the Agreement be guaranteed by a Guarantor.

(b) We are [*recite the relationship of the Guarantor to the Service Provider*], and we warrant to you that this description of our relationship with/to the Service Provider is true and accurate in all material respects.

(c) Terms defined in the Agreement have the same meanings in this Guarantee unless otherwise defined in this Guarantee.

WE HEREBY AGREE AND UNDERTAKE with you as follows:-

(a) We unconditionally guarantee to you on demand:

(i) the proper, complete and punctual performance by the Service Provider of any and all its obligations, undertakings and responsibilities under the Agreement and we shall forthwith make good any default thereunder on the part of the Service Provider;

(ii) the due and punctual payment by the Service Provider of all sums, liabilities, awards, losses, damages, costs, charges and expenses that may be or become due and payable under or arising out of the Agreement in accordance with their terms or otherwise by reason or in consequence of any such default on the part of the Service Provider,

when and as the same shall become due for performance or payment (as the case may be).

(b) We unconditionally guarantee to you that in the case of default by the Service Provider in making any of the payments or in performing any of the obligations, undertakings and responsibilities set out in paragraph (a) above, we shall on demand pay all sums and observe and perform any or all of such obligations, undertakings and responsibilities as if we has been named as the Service Provider in the Agreement instead of the Service Provider. Any payment under this Guarantee shall be made by us in pounds sterling or in any currency which may from time to time replace pounds sterling.

(c) This Guarantee shall be a continuing security and shall remain in full force and effect until the earlier of: (i) the date that all obligations to be performed or observed by the Service Provider under or arising out of the Agreement have been duly and completely performed and observed and the Service Provider shall have ceased to be under any actual or contingent liability thereunder, and (ii) the date 13 years after completion of the works or services in accordance with the terms and conditions of the Agreement.

(d) Any demand or other notice made under this Guarantee shall be duly made if sent by first class recorded delivery post to us.

(e) This Guarantee may be enforced without first notifying the Service Provider of any default or taking any proceedings or demanding upon, enforcing or exhausting any right or remedy against the Service Provider or any other person or taking any action to enforce any other security, bond or guarantee or making or filing any claim in a bankruptcy, liquidation, administration or insolvency of the Service Provider or any person.

(f) If any sum due or purportedly due under this Guarantee is not or would not be recoverable under a guarantee for any reason whatsoever, whether or not known to you, such sum shall still be recoverable from us as a sole principal debtor upon the terms of this Guarantee.

PROVIDED THAT:

1. We shall be under no greater obligation or greater liability under this Guarantee than we would have been under the Agreement if we had been named as the Service Provider in the Agreement and you may not recover any more under this Guarantee in respect of any matter than you would have been entitled to recover under the Agreement if we had been named as the Service Provider in the Agreement, net of any set off. In any action or proceedings brought by you under this Guarantee we may rely on any limitation in the Agreement and raise equivalent rights in defence of liability as we would have had against you if we had been named as the Service Provider in the Agreement (save as to the unenforceability, invalidity or illegality of the Agreement) or would have been entitled to raise were it not for the unenforceability, invalidity or illegality of the Agreement (but so that the same defence shall not be raised more than once).

2. Our obligations hereunder shall remain in full force and effect and shall not be terminated, reduced, discharged or otherwise affected by:

   (a) any alteration or variation to the terms of the Agreement made by agreement between you and the Service Provider (including, without limitation, any increase in the Service Provider's obligations under the Agreement or any alteration in the extent or nature or sequence or method or timing of the works or services to be carried out under the Agreement) or any novation of the Agreement (in whole or in part); or

   (b) any time being given to the Service Provider or any other indulgence, waiver, concession, forbearance or forgiveness to the Service Provider (whether express or by conduct) or any other thing done, omitted or neglected to be done under the Agreement; or

(c) any other bond, security or guarantee now or hereafter given for all or any part of the obligations of the Service Provider under the Agreement; or

(d) the release or waiver of any such bond, security or guarantee referred to in paragraph 2(c) above; or

(e) any amalgamation, reconstruction or dissolution including, without limitation, winding-up of the Service Provider; or

(f) the winding-up, bankruptcy, administration, receivership or insolvency of the Service Provider; or

(g) any legal limitation, disability or incapacity relating to the Service Provider or discharge by operation of law or any change in the constitution, name or style of the Service Provider or any other person (whether or not known to you); or

(h) any total or partial invalidity in, irregularity affecting or unenforceability of any of the obligations of the Service Provider under the Agreement; or

(i) the termination or partial termination of the Agreement or the cessation of any works or services for any reason or the making of any variation to the works or services in accordance with the Agreement; or

(j) any claim or enforcement of payment from the Service Provider or any other person; or

(k) any act or omission which would not have discharged or affected the liability of a sole principal debtor instead of a guarantor or any act or omission, matter or thing which, but for this provision, might operate to exonerate, discharge, reduce or extinguish our liability under this Guarantee.

3. So long as we remain under any actual or contingent liability under this Guarantee, we shall not exercise any right of subrogation or any other right or remedy which we may have against the Service Provider in respect of any payment made by or sum recovered from us pursuant to or in connection with this Guarantee or prove in any liquidation of the Service Provider in competition for any sums or liabilities owing or incurred to us by the Service Provider in respect of any such payment by or recovery from us or take or hold any security from the Service Provider in respect of any liability of ours hereunder. We shall hold any monies recovered or security taken or held in breach of this provision in trust for you.

4. Except where prevented from doing so by law, we waive and agree not to enforce or claim the benefit of any and all rights we have or may from time to time have as guarantor under any applicable law which is or may be inconsistent with any of the provisions of this Guarantee.

5. This Guarantee is irrevocable.

6. Save that any member of the TfL Group has the right to enforce the terms of this Guarantee in accordance with the Contracts (Rights of Third Parties) Act 1999 (“Third Party Act”), the

parties do not intend that any of the terms of this Guarantee are enforceable by virtue of the Third Party Act by any person not a party to it.

7. Notwithstanding clause 6, the parties are entitled to vary or rescind this Guarantee without the consent of any or all members of the TfL Group (other than you).

8.

(a) This Guarantee, executed and delivered as a deed, is governed by and shall be construed in accordance with the law of England and Wales. Subject to paragraph (b) below, the courts of England shall have exclusive jurisdiction to settle any dispute which may arise out of or in connection with this Guarantee.

(b) You and we may seek interim injunctive relief or any other interim measure of protection in any court of competent jurisdiction.

(c) Subject to paragraph (b) above, you and we waive any objection to, and submit to, the jurisdiction of the courts of England and Wales. You and we agree that a judgment or order of any such court is binding upon the relevant party and may be enforced against it in the courts of any other jurisdiction.

[For non-UK resident Guarantors only:

9. For the purposes of this Guarantee we hereby appoint ..... of ..... (to be a London address) to accept service of process on our behalf, and service on the said ..... at the said address shall be deemed to be good service on us; and we hereby irrevocably agree not to revoke or terminate such appointment.]

10. You will be entitled to assign the benefit of this Guarantee in whole or in part without our consent to any person to whom the benefit of the Agreement is assigned or to any person providing finance in connection with the Agreement but we may not assign the benefit and/or delegate the burden of this Guarantee in whole or in part or enter into any transaction which would result in any of those benefits and/or burdens passing to another person.

11. If any provision (in whole or in part) of this Guarantee is found by any court, tribunal, administrative body or authority of competent jurisdiction to be wholly or partly illegal, invalid or unenforceable then that provision shall, to the extent required, be severed from this Guarantee and shall be ineffective, without, so far as is possible, modifying any other provision of this Guarantee and this shall not affect any other provisions of this Guarantee which shall remain in full force and effect.

Executed as a Deed and delivered the day and year written above.

Executed as a Deed by	)	_____
[Parent Company]	)	Director
acting by a Director and the	)	
Secretary or by two Directors	)	_____
		Director/Secretary

OR

The common seal of	)	_____
[Parent Company]	)	Director
was affixed in the presence of:	)	
	)	_____
		Director/Secretary

Form of Legal Opinion for use with Guarantee (Agreement)[1]

To: [*insert name and address of the Client*]

Date:

Dear Sir/Madam

I am counsel to ..... and I am giving this legal opinion in connection with the making by ..... of the Guarantee (as defined below) in your favour.

1. I have examined the Deed of Guarantee (the "Guarantee") dated ..... made between ..... (the "Guarantor") and [*CLIENT*] ("the Client"). Terms defined in or for the purpose of the Guarantee have the same meanings in this opinion.

2. Having considered the Guarantee and examined any other document, resolution or certificate I deemed necessary to enable me to give the opinion contained herein and having regard to all applicable laws of ..... I am pleased to advise that in my opinion:

   (a) the Guarantor was incorporated in ..... on ..... as a [company with limited liability] and validly exists under the laws of ..... as a separate legal entity possessing the capacity to sue or be sued in its own name. To the best of my knowledge having carried out [DESCRIBE APPLICABLE SEARCHES] today, no steps have been, or are being, taken to appoint a receiver or liquidator (or similar encumbrancer or officer) over, or to wind up, the Guarantor;

   (b) the Guarantor has the necessary power and authority, and all necessary corporate and other action (including, without limitation, approvals and consents of members, stockholders, debenture holders or governmental or other regulatory authorities) has been taken to enable the Guarantor to enter into the Guarantee and to perform the obligations of the Guarantor and the transactions contemplated thereby; and

   (c) The entry into and performance of the Guarantee and the transactions contemplated thereby will not cause:

      (i) any limit on the Guarantor or its directors (whether imposed by the documents constituting the Guarantor, statute, regulation, agreement or otherwise) to be exceeded;

      (ii) any law or order or constitutional document in respect of the Guarantor to be contravened;

      (iii) any default under, or give rise to an obligation to create or impose any security interest of any nature whatsoever pursuant to, any agreement or other instrument or any judgment or other requirement known to us after due enquiry to which the Guarantor is a party or by which it or any of its assets is bound. Further, no event has occurred that, with

[1] Note to bidders: The Contractor may provide an alternative form of legal opinion for approval with the relevant Client acting in its sole discretion.

the giving of notice, lapse of time, determination of materiality or other conditions might constitute a default under or in respect of such agreement, instrument or judgment;

(d) the Guarantee has been properly signed and delivered on behalf of the Guarantor and the obligations on the part of the Guarantor contained in the Guarantee, assuming them to be valid and binding according to English law by which they are expressed to be governed, are valid, legally binding on and enforceable against the Guarantor under the laws of ..... and in the courts of .....;

(e) the signature, delivery and performance of the Guarantee by the Guarantor constitute private and commercial acts by it rather than public or governmental acts;

(f) all authorisations, approvals, consents, licences, exemptions, filings, registrations, notarisations and other requirements of governmental, judicial and public bodies and authorities of or in [COUNTRY] required or advisable in connection with the entry into, performance, validity and enforceability of the Guarantee and the transactions contemplated thereby have been obtained or effected and are in full force and effect;

(g) the obligations of the Guarantor under the Guarantee rank at least equally and rateably (pari passu) in point of priority and security with any and all other unsecured obligations of the Guarantor;

(h) all amounts payable by the Guarantor under the Guarantee may be made free and clear of, and without deduction for, or on account of, any taxes imposed, assessed or levied by [COUNTRY] or any authority of or in [COUNTRY];

(i) there are no registration, stamp or other taxes or duties of any kind payable in ..... in connection with the Guarantor including its signature, performance or enforcement by legal proceedings;

(j) The Client will not violate any law or regulation in ..... nor become liable to tax in ..... by reason of entering into the Guarantee or performing its obligations thereunder. It is not necessary to establish a place of business in ..... in order to enforce any provisions of the Guarantee;

(k) the choice of English law to govern the Guarantee will be upheld as a valid choice of law in any action in respect of the Guarantee in the ..... Courts;

(l) the consent to the jurisdiction by the Guarantor contained in the Guarantee is valid and binding on the Guarantor and not subject to revocation;

(m) any judgment obtained in the courts of England against the Guarantor would be recognised and accepted by the ..... courts without re-trial or re-examination of the merits of the case;

(n) neither the Guarantor nor any of its assets enjoys any right or immunity from set-off, suit or execution in respect of its obligations under the Guarantee;

(o) so far as I am aware after due enquiry, no litigation, arbitration or administrative proceedings are at present current, pending or threatened that might, if adversely determined, have a material effect on the business, assets or financial condition of the Guarantor.

3. I do not purport to be expert on and do not purport to be generally familiar with or qualified to express legal opinions based on any law other than the laws of ..... and accordingly express no legal opinion herein based upon any law other than the laws of .....

.....

Signed