



Legal Aid
Agency

**PERSONAL GUARANTEE AND INDEMNITY
DEED OF AGREEMENT – TRADITIONAL PARTNERSHIPS FORMED OF ONE OR MORE
PARTNERS WITH LIMITED LIABILITY STATUS**

Between:

Each of the guarantors listed in paragraph 25 below in respect of the partnership trading as **[insert name of Partnership Provider]**, whose address is **[insert address of Partnership Provider]**, each of whom is an owner, controller, or senior manager of **[insert name of organisation with limited liability]** which is itself a partner in the partnership trading as **[insert name of Partnership Provider]** (“the Guarantors”)

and

THE LORD CHANCELLOR acting on behalf of the Crown of 102 Petty France, London, SW1H 9AJ (the “The Lord Chancellor”)

Re: **[insert name of Partnership Provider] (“the Provider”)**

All current and subsequent contracts for the provision of publicly funded legal services between the Provider and the Lord Chancellor, each as varied from time to time in accordance with its terms (“the Contract(s)”)

Dated as a Deed: **[date to be inserted by LAA only]**

Background

- (A) The Lord Chancellor enters into contracts with firms of solicitors and other organisations to secure the provision of publicly funded legal services. The Legal Aid Agency acts on behalf of the Lord Chancellor with regard to matters related to legal aid contracts with providers. Under the terms of the legal aid contracts, the Legal Aid Agency acting on behalf of the Lord Chancellor may advance monies to providers on account of work that they are anticipated to perform.

- (B) Traditionally, solicitors' practices have operated as partnerships or sole principals. These legal forms allow the Legal Aid Agency acting on behalf of the Lord Chancellor to recover any overpayments of payments on account from the individual partners or sole principals.
- (C) Some solicitors' practices now operate as partnerships formed either partly of such individuals and partly of organisations with limited liability status, or wholly of organisations with limited liability status. These types of entity deprive the Lord Chancellor of the rights of recovery he would have had if the practices had operated as partnerships of individuals or sole principals.
- (D) The purpose of this Deed is to ensure that the Lord Chancellor is in no worse a position when contracting with providers which are Companies than he would have been had the provider been a partnership or sole principal.

Terms

In consideration for the Lord Chancellor doing one or more of the following:

- (a) entering into one or more of the Contract(s) with the Provider;
- (b) novating one or more of the Contract(s) to the Provider;
- (c) making payments under one or more of the Contract(s) to the Provider,

the Guarantors jointly and severally agree with the Lord Chancellor as follows:

1. The Guarantors unconditionally and irrevocably guarantee that the Provider (i) shall perform all of its obligations under the Contract(s) punctually in accordance with the terms of such Contract(s) and (ii) will pay all monies due to the Lord Chancellor under or in respect of the Contract(s).
2. As a separate and primary obligation, the Guarantors unconditionally and irrevocably agree to indemnify and keep indemnified the Lord Chancellor in full and on demand from and against all and any losses, costs, claims, expenses, damages, demands or liabilities suffered or incurred by the Lord Chancellor arising out of, or in connection with, the Provider (or any receiver, administrator or similar person appointed for the Provider) failing to comply with its obligations under the Contract(s).

3. This Deed shall commence on the date set out above and shall continue in force until the later of the date that all of the obligations under the Contract(s) have been performed by the Provider or until all of the obligations in this Deed have been fully discharged, and this Deed shall automatically terminate on such date.
4. Without prejudice to the terms of the Contract(s), the Guarantors agree to inform the Legal Aid Agency without undue delay and in any event at least 15 business days prior to any change in the directors and/shareholders of a Company which is itself a partner of the Provider or a member of an LLP which is itself a partner of the Provider and the Guarantors undertake to ensure that the Guarantors and any new directors and/shareholders of a Company which is itself a partner of the Provider or a member of an LLP which is itself a partner of the Provider signs an agreement with the Lord Chancellor in this form without undue delay and in any event within 28 days of any change in the directors and/shareholders of a Company which is itself a partner of the Provider or a member of an LLP which is itself a partner of the Provider, and to send it to the Legal Aid Agency.
5. In the event that any Guarantor ceases to be a director and/shareholder of a Company which is itself a partner of the Provider or a member of an LLP which is itself a partner of the Provider, that Guarantor shall cease to be liable under this Deed for any liabilities incurred after the date of his/her departure.
6. This Deed is executed by each Guarantor as an individual in favour of the Lord Chancellor.
7. The Lord Chancellor will not unreasonably refuse to discharge this Deed, or to modify its terms, in respect of one or more of the Guarantors, but such discharge or modification may be subject to reasonable conditions.
8. Unless an authorised signatory of the Lord Chancellor agrees otherwise in writing, the Guarantors agree that their liability under this Deed shall not be reduced, adversely affected and/or discharged by any:-
 - (a) termination, amendment, novation, replacement, supplement or variation of this Deed and/or any of the Contracts (including, without limitation, any changes in the extent or nature of the work performed under the Contract(s));
 - (b) waiver, concession, indulgence, or grant of time by the Lord Chancellor whether under this Deed and/or any of the Contract(s);

- (c) claim or enforcement of payment by the Lord Chancellor or any third party under this Deed and/or any of the Contract(s);
 - (d) dealing with any third party;
 - (e) act or omission which might otherwise operate to affect and/or discharge (whether in whole or in part) the Guarantors' liability under this Deed;
 - (f) the inability of the Provider to pay its debts as they fall due;
 - (g) change in the constitution or partners in the Provider;
 - (h) death of any Guarantor; and/or
 - (i) release, discharge or reduction of the liabilities to any Guarantor as regards the liabilities of the remaining Guarantors.
9. The Guarantors' obligations under this Deed are those of primary obligor and exist irrespective of any total or partial invalidity or unenforceability of the Contract(s) or any of them.
10. This Deed is and shall at all times be a continuing security and is not satisfied, discharged or affected by any payments or performance of any of the obligations, provisions, warranties and undertakings due under this Deed until all such payments and performance of such obligations, provisions, warranties and undertakings have been paid or made in full.
11. The Guarantors each represent and warrant to the Lord Chancellor that:
- (a) they are a director or shareholder of any Company, or member of any LLP, which is itself a partner of the Provider including, but not limited to, directors, shareholders or members in any ultimate entity;
 - (b) they have all the requisite power to enter into, deliver and perform its obligations under, and has taken all necessary actions to authorise its entry into, delivery and performance of, this Deed;
 - (c) their obligations under this Deed shall, when executed, constitute legal, valid, and binding obligations enforceable in accordance with the terms of this Deed; and
 - (d) they do not require the consent, approval or authority of any other person to enter into or perform their obligations under this Deed.
12. At any time, without the consent of the Guarantor, the Lord Chancellor may assign any of its rights or transfer any of its obligations under this Deed.

13. The Guarantors may not assign any of their rights, or transfer any of their rights and obligations under this Deed nor enter into any transaction which would result in any of those rights or obligations passing to another person.
14. No amendment of this Deed shall be effective unless it is in writing and signed by, or on behalf of, each party (or its authorised representative).
15. A waiver of any right or remedy under this Deed or by law, or any consent given under this Deed, is only effective if given in writing and signed by the waiving or consenting party and shall not be deemed a waiver of any subsequent right or remedy. It only applies in the circumstances in relation to which it is given and shall not prevent the party giving it from subsequently relying on the relevant provision.
16. A failure or delay by a party to exercise any right or remedy provided under this Deed or by law shall not constitute a waiver of that or any other right or remedy, prevent or restrict any further exercise of that or any other right or remedy or constitute an election to affirm this Deed. No single or partial exercise of any right or remedy provided under this Deed or by law shall prevent or restrict the further exercise of that or any other right or remedy. No election to affirm this Deed by the Lord Chancellor shall be effective unless it is in writing and signed.
17. The rights and remedies provided under this Deed are cumulative and are in addition to, and not exclusive of, any rights and remedies provided by Law.
18. If, at any time, any provision (or part of a provision) of this Deed is or becomes invalid, illegal or unenforceable, it shall be deemed modified to the minimum extent necessary to make it valid, legal and enforceable. If such modification is not possible, the relevant provision (or part of a provision) shall be deemed deleted. Any modification to or deletion of a provision (or part of a provision) under this clause shall not affect the legality, validity and enforceability of the rest of this Deed.
19. A notice or other communication given to a party under or in connection with this Deed shall be:
 - (a) in writing; and
 - (b) delivered by hand, by pre-paid first-class post or other next working day delivery service or sent by email to:

- (i) the Guarantor(s) at the Provider's designated email address, designated postal address as are specified in the Contract(s); and
- (ii) the Lord Chancellor at its designated email address, designated postal address as are specified in the Contract(s).

or to any other address notified in writing by one party to the other from time to time.

20. Any notice or other communication given in accordance with this Deed shall be deemed to have been received:

- (a) if delivered by hand, at the time of delivery it is left at the relevant address;
- (b) if posted by pre-paid first-class post or other next working day delivery service, 48 hours from the date of posting; and
- (c) if sent by email, at the time of transmission,

provided that such notice is given in accordance with clause 19 and if deemed receipt under this clause would otherwise occur after 5pm on a business day or at any time on a day that is not a business day, deemed receipt will instead be at 9am on the next business day. For the purposes of this clause, all references to time are to local time in the place of deemed receipt.

21. Clauses 19 and 20 do not apply to the service of any proceedings or other documents in any legal action or, where applicable, any arbitration or other method of dispute resolution.

22. A person who is not a party to this Deed has no rights under the Contracts (Rights of Third Parties) Act 1999 to enforce, or enjoy the benefit of, any term of this Deed.

23. This Deed and any dispute or claim arising out of or in connection with it or its subject matter or formation (including non-contractual disputes or claims) shall be governed by and construed in accordance with the law of England and Wales.

24. Each party irrevocably agrees that the courts of England and Wales shall have exclusive jurisdiction to settle any dispute or claim arising out of or in connection with this Deed or its subject matter or formation (including non-contractual disputes or claims).

25. This document is executed by the following persons:

[];

[],

[],
[],
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NOTE: List all persons who are a director or shareholder of any Company, or member of any LLP, which is itself a partner of the Provider including, but not limited to directors, shareholders or members in any ultimate parent entity.

together, (“the Guarantors”) as a Deed and delivered on the date stated at the beginning of this Deed.

EXECUTED as a DEED by)
Name (printed))
in the presence of:)

Witness Signature:

Witness Name:

Witness Address:

Witness Occupation:

EXECUTED as a DEED by)
Name (printed))
in the presence of:)

Witness Signature:

Witness Name:

Witness Address:

Witness Occupation:

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Witness Occupation:

EXECUTED as a DEED by)
Name (printed))
in the presence of:)

Witness Signature:

Witness Name:

Witness Address:

Witness Occupation:

Signed for and on behalf of the Lord Chancellor as a Deed by:
Name (printed))
in the presence of:)

Witness Signature:

Witness Name:

Witness Address:

Witness Occupation:

[To be signed by each Guarantor acting in their capacity as an individual. Please add additional signatures as required]