

**LEGAL SERVICES COMMISSION  
PERSONAL GUARANTEE AND INDEMNITY  
DEED OF AGREEMENT - COMPANIES**

**Between:**

Each of the guarantors listed in paragraph 11 below in respect of [**name of company**], whose registered address is [**address of company**] and whose registered number is [**company number**] (“the Guarantors”)

and

The Legal Services Commission, 4 Abbey Orchard Street, London SW1P 2BS (“the Commission”)

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

[**2010 Standard Civil Contract /2010 Standard Crime Contract**] – account number(s) [ ] and any other current and subsequent contracts for the provision of publicly funded legal services between the Provider and the Commission, each as varied from time to time in accordance with its terms (“the Contract(s)”)

**Dated as a Deed:** [insert date]

**Background**

The Commission enters into contracts with firms of solicitors and other organisations to secure the provision of publicly funded legal services. Under the terms of the contracts, the Commission may advance monies to contractors on account of work that they are anticipated to perform.

Traditionally, solicitors’ practices have operated as partnerships or sole principals. These legal forms allow the Commission to recover any overpayments of payments on account from the individual partners or sole principals.

Some solicitors’ practices now operate as incorporated practices (“Companies”). In some cases, directors and shareholders of these Companies are also Companies and contract on this basis with the solicitors’ practice Company. These types of entity deprive the Commission

of the rights of recovery it would have had if the practices had operated as partnerships or sole principals.

The purpose of this Deed is to ensure that the Commission is in no worse a position when contracting with Providers which are Companies than it would have been had the Provider been a partnership or sole principal.

## **Terms**

In consideration for the Commission 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 Commission as follows:

1. The Guarantors unconditionally and irrevocably guarantee that the Provider (i) shall perform all of its obligations under the Contract(s) in accordance with the terms of such Contract(s) and (ii) will pay all monies due to the Commission under or in respect of the Contract(s).
2. As a separate and primary obligation, the Guarantors unconditionally and irrevocably agree to indemnify the Commission in respect of any losses, costs, expenses, damages or liabilities suffered or incurred by the Commission as a result of 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 Commission without undue delay and in any event within 15 days of any change in the directors and or shareholders of the Provider and the Guarantors undertake to ensure that the Guarantors and any new director and or shareholder of the Provider signs an

agreement with the Commission in this form without undue delay and in any event within 28 days of any change in the directors and or shareholders of the Provider, and to send it to the Commission.

5. In the event that any Guarantor ceases to be either a director or a shareholder of the Provider or a director or a shareholder of a Company which is itself a director or shareholder 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 Commission.
7. The Commission will not unreasonably refuse to discharge this Deed, or to modify its terms, in respect of one or more of the signatories, but such discharge or modification may be subject to reasonable conditions.
8. Unless an authorised signatory of the Commission agrees otherwise in writing, the Guarantors agree that their liability under this Deed shall not be affected and/or discharged by any:- (a) termination, novation 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 or grant of time by the Commission whether under this Deed and/or any of the Contract(s); (c) claim or enforcement of payment by the Commission 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, directors or shareholders of 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 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. This document is executed by the following persons:

[            ];

[            ],

**NOTE: List all persons who are directors or shareholders of the Provider and directors or shareholders of a Company which is itself a shareholder or company of the Provider**

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:

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:

**Signed for and on behalf of the Legal Services Commission as a Deed by:**

Name (printed)                    )  
in the presence of:                )

Witness Signature:

Witness Name:

Witness Address:

Witness Occupation:

***[To be signed by each director and/or shareholder of the Provider acting in their capacity as an individual. All directors and/or shareholders of the Provider must sign, please add additional signatures as required]***