

# LEGAL FUNDING AGREEMENT

## Terms and Conditions

### 1. What is the Legal Funding Agreement?

The Legal Funding Agreement is an agreement between **you** and **Legal Funding Agreement Limited** a member of the Stallard Kane Group to look after your interests if Employment Tribunal proceedings are brought against you.

We are not selling you an insurance policy. We ourselves will deal with an Employment Tribunal claim against you on your behalf. We appoint and pay for solicitors who will conduct the defence of the Employment Tribunal proceedings against you. Where appropriate, we will try to settle those proceedings at no cost to you and in the unlikely event that an award is made against you by an Employment Tribunal, we will pay that award.

The Legal Funding Agreement is only available to clients of the Stallard Kane Group and is part of our comprehensive service to employers.

### 2. What does the Legal Funding Agreement cover?

The Legal Funding Agreement covers the defence of Employment Tribunal proceedings (which is where the vast majority of all employment disputes are brought), to a limit of £40,000 per case.

### 3. What does the Legal Funding Agreement not cover?

The Legal Funding Agreement does not cover:

- (a) Proceedings brought by you
- (b) Proceedings brought outside of Great Britain
- (c) Proceedings brought by employees before the High Court or County Court or any other court. These are uncommon and are usually brought by very highly paid staff with long notice periods
- (d) Counterclaims brought by you in Employment Tribunal proceedings (although these may be covered at our discretion)

- (e) The amount of any money due to an employee under that employee's contract of employment or other contract with you
- (f) Compensation for your failure to comply with an order to reinstate or re-engage an employee
- (g) Claims under the Transfer of Undertakings (Protection of Employment) Regulations 1981 and 2006 where the underlying subject matter of the claim would not otherwise be covered.
- (h) The payment of any fine, penalty, tax or levy
- (i) Disputes with one of your shareholders (other than a shareholder under an employee share scheme or equivalent)
- (j) Internal disciplinary, grievance or other procedures
- (k) Claims relating to trades union membership, recognition or consultation or the absence thereof or the activities of trade unions
- (l) Circumstances arising prior to the entry into the Legal Funding Agreement
- (m) Any compensatory award and / or solicitor fees amounting to more than the limit of £40,000 per case; All solicitor fees / compensatory awards amounting to less than this figure would be included under this guarantee (save for any of the exceptions listed from (a) to (l) as listed above).

#### **4. What about appeals?**

The rules for legal costs for appeals are not the same as for proceedings in the Employment Tribunal. If you win in the Employment Tribunal and your opponent appeals or if you lose in the Employment Tribunal but we think you should have won, we will invite you to enter into a "no win, no fee" agreement with our solicitors who will then represent you on the appeal. We will pay for legal expenses insurance (known as an "ATE policy") in respect of the opponent's costs.

#### **5. Are redundancies covered?**

Redundancy payments are an expense of your business and the Legal Funding Agreement does not cover redundancy payments.

The Legal Funding Agreement does cover the costs of defending disputed claims for redundancy payments and the costs of defending claims for and awards of compensation for unfair dismissal on the grounds of redundancy (sometimes called "unfair redundancies").

## **6. How does it work?**

We expect and require that all of our clients will have sought and acted upon the employment advice of the Stallard Kane Group.

If Employment Tribunal proceedings are brought or threatened against you our solicitors will assess the merits of your case to see if you have a reasonable prospect of defending the claim. Unlike some insurers who try to find reasons not to assist their insured employers faced with claims, we will try to assist you wherever possible.

Nevertheless, we will always be frank with you. If we do not think a claim against you can be successfully defended we will say so.

If we believe a claim can reasonably be successfully defended we will instruct our solicitors to represent you. They will act as your solicitors in the Employment Tribunal proceedings.

Generally we, like you, are commercial people looking for commercial solutions. We are not looking to argue matters of principle. That means we will look to settle claims against you where appropriate and if we do settle a claim against you, we will pay the agreed settlement sum. Sometimes, that is not appropriate; for example, where a case is a test case or where failing to defend a case properly will only encourage more spurious claims. Where we think it is appropriate, we will defend cases even where it might be cheaper to settle.

If, unfortunately, your case is lost, we will pay any award (except a redundancy payment, fine, penalty, tax or levy) made against you.

## **7. If we do not think the claim can reasonably be successfully defended**

If we have reasonable grounds for believing that a claim against you cannot reasonably be successfully defended, we will inform you of this and the reasons for our view. We will help you to negotiate a settlement with the claimant but you will have to pay that settlement yourself. We will introduce you to our solicitors who will be happy to represent you, but you will have to make arrangements with them regarding their fees. Alternatively you may instruct any other solicitor or represent yourself.

## **8. Notifying a claim against you**

You must notify us as soon as reasonably practicable after becoming aware of a claim against you or circumstances that may give rise to a claim and, in any event, you must notify us within 72 hours of receiving an Employment Tribunal claim form (a Form ET1).

If when notifying a claim against you or at any time afterwards an Employment Tribunal claim form (Form ET1) is received by you, you must provide us with that form or a copy within 72 hours of receipt by you.

## **9. Your obligations**

You must give us all the information about the claim that we and our solicitors request.

You must tell us anything that we or our solicitors might reasonably be expected to be told about the claim, the circumstances leading to the claim or about the claimant, whether or not we or they ask for that information.

You must make all of your directors, officers, employees and (so far as you are able to do so) others available to us and to our solicitors to take statements and to attend the Employment Tribunal to give evidence.

You must tell us the truth about any claim.

You must observe all of the terms of this agreement.

You must not do or allow to be done anything that hinders us or our solicitors in defending the claim.

You must provide us and our solicitors with all assistance that we or they reasonably require.

## **10. You and our solicitors**

Our solicitors are a full service firm with real offices and any claims against you will be handled there by fully qualified solicitors assisted by support staff. Where appropriate, they will engage barristers to advise and represent you.

You authorise our solicitors to act for you in respect of any claims made against you. You also authorise them to keep us fully informed about the progress of any claims against you.

You must appoint a nominated individual within your organisation to act as liaison with our solicitors. That person must be of sufficient seniority to give instructions on your behalf and to ensure compliance within your organisation of your obligations under the Legal Funding Agreement. Neither we nor our solicitors will deal with your external solicitors or advisers.

Our solicitors will keep you informed of the progress of any claims against you.

Our solicitors may advise us throughout on the merits of your case and they may keep that advice confidential from you.

Our solicitors will not settle a claim against you without your agreement but if we believe that a claim should be settled and you wish to continue to defend it, our solicitors will cease to act for you and you must arrange alternative representation or represent yourself.

If a conflict of interest develops between you and us our solicitors will cease acting for you and may continue acting for us. In these circumstances you must arrange alternative representation in respect of the claim or represent yourself.

Our solicitors may cease acting for you if you behave unreasonably.

Where our solicitors cease acting for you for any of the foregoing reasons, we will be responsible for their fees and disbursements until the point where they cease to act but we will not be responsible for paying any Employment Tribunal award (including any award of costs) against you or for the amount of any settlement that you make with the claimant.

Occasionally our usual solicitors may not be able to represent you, for example if they already represent the claimant. In these circumstances we shall arrange to instruct other solicitors who will then represent you on the same basis.

## **11. Our fees**

Our fees are set out in the most recent quotation that we or another member of the Stallard Kane Group on our behalf have supplied to you prior to the date of the Legal Funding Agreement. Our fees are exclusive of Value Added Tax which must in addition be paid at the rate applicable at the tax point. You accept our fees.

This is not an insurance policy and therefore you do not have the right to instruct other solicitors or advisers at our expense.

**12. Interpretation**

"Legal Funding Agreement Limited" "us" "we" "our" means Legal Funding Agreement Limited (registered number 8412547) whose registered office is situated at 9 Lord Street, Gainsborough, Lincolnshire, DN21 2DD.

"you" "your" means the compan(y)(ies) limited liability partnership(s), sole trader(s) or other organisation(s) set out below only and does not include any other person or entity

**13. General**

This agreement is governed by English law. No person other than the parties to this agreement may enforce it.

You agree that we and our solicitors may process personal data (including sensitive personal data) for the purpose of providing the services under this agreement, for keeping accounts and records, for advertising and marketing and for the purpose of complying with the legal and professional obligations of our solicitors.

Company name

Your address(es)

Signed on your behalf by ..... (name)  
..... (signature)  
..... (position)  
..... (date)

Signed on behalf of the Legal Funding Agreement Limited by

Nathan Jones – Managing Director

This agreement is deemed as live from the date you return the signed copy of this document to [accounts@skaltd.co.uk](mailto:accounts@skaltd.co.uk)

We reserve the right to withdraw or amend the LFA at anytime during the currency of the contract without prior notice.