

# CONTINGENCY FEE AGREEMENT

**This agreement is a legally binding contract between you and Underwoods solicitors.**

## Agreement Date

**We, the solicitors** Underwoods, 79 Marlowes, Hemel Hempstead, Herts HP1 1LF

**You, the client** (*CLIENT'S NAME*)

## What is covered by this agreement

Your employment tribunal claim(s) relating to your employment with (*NAME OF RESPONDENT*)

## What is not covered by this agreement

Any counterclaim against you.

Any appeal you make or any appeal made by your opponent.

Any reference to the European Court of Justice.

Representation by a barrister at the hearing.

## Paying Us

If you win the case you pay us 40% of the money we recover. This figure includes VAT at the standard rate, currently 17.5%. You also pay us disbursements.

In addition if the employment tribunal awards costs against your opponent you pay us those costs for the work we have done for you at £258.50 per hour, with letters and telephone calls charged at £25.85 each, unless they last for ten minutes or longer in which case they will be charged at the appropriate proportion of the hourly rate. All these figures include VAT at the standard rate of 17.5%.

If you lose the case you do not pay us anything, except disbursements.

Disbursements are payments we make on your behalf to others involved in the case. We will notify you of disbursements incurred as we go along. We would expect the only disbursements to be travelling and subsistence expenses incurred in attending the tribunal hearing.

If you end the agreement before the case is won or lost, you are liable to pay our costs at the rate of £258.50 per hour with letters and telephone calls charged at £25.85 each unless they last for ten minutes or longer in which case they will be charged at the appropriate proportion of the hourly rate. All of these figures include VAT at the standard rate of 17.5%.

For what happens if we end the agreement before the case is won or lost, please refer to paragraph 5.

## **Non-monetary benefits**

We, the solicitors and you the client agree that if we succeed in obtaining your re-employment with your opponent then in addition to any other monies payable to us under this agreement we shall be entitled to a sum equivalent to one month's net pay calculated by reference to the pay at which you are re-employed.

### **1. Our responsibilities**

We must always act in your best interests in pursuing your claim for damages and obtaining for you the best possible results, subject to our duty to the tribunal; we must explain to you the risks and benefits of taking legal action; we must give you our best advice about whether to accept any offer of settlement.

### **2. Your responsibilities**

You must give us clear instructions which allow us to do our work properly; you must not ask us to work in an improper or unreasonable way; you must not deliberately mislead us; you must co-operate with us when asked; you must go to the tribunal hearing when asked; you must pay for disbursements as the case goes on.

### **3. What happens if you win**

If you win (which means that your case is decided in your favour whether by a tribunal or by an agreement to pay you money or by a payment from the Secretary of State or your opponent's receivers, trustees in bankruptcy or administrators or under a Voluntary Arrangement under the Insolvency Act 1986) you pay us a our share of any money and our share of the value of any non-cash benefits plus any disbursements. You agree that we may receive the money your opponent has to pay. If your opponent refuses to accept our receipt, you will pay the cheque you receive into a joint bank account in your name and ours. Out of the money you agree to let us take our share of the money and our share of the value of the non-cash benefits plus any outstanding disbursements. You take the rest.

In addition if the employment tribunal awards costs against your opponent you pay us those costs for the work we have done for you at £258.50 per hour, with letters and telephone calls charged at £25.85 each, unless they last for ten minutes or longer in which case they will be charged at the appropriate proportion of the hourly rate. All these figures include VAT at the standard rate of 17.5%.

If your opponent fails to pay any damages owed to you we have the right to take recovery action in your name to enforce a judgement, order or agreement, including the right to apply to the Secretary of State. The costs of this action are payable by you to us in addition to 40% of the money.

### **4. What happens if you lose**

If you lose you do not have to pay us anything, except our disbursements.

## **5. What happens if the agreement ends before the case itself ends**

You can end the agreement at any time. You are then liable to pay us our costs incurred up to the date you end the agreement calculated at the hourly rate, set out above under “Paying Us”.

We can end the agreement if you do not keep to your responsibilities in paragraph 2. You are then liable to pay us our costs incurred up to the date the agreement ends calculated at the hourly rate.

We can end the agreement if we believe that you are unlikely to win and you disagree with us. You do not have to pay us anything.

We can end the agreement if you reject our opinion about making a settlement with your opponent. You are then liable to pay us our costs incurred up to the date the agreement ends calculated on the hourly rate (unless your damages are 20% more than the offer we advised you to accept in which case you do not have to pay us anything).

## **6. What happens after the agreement ends**

After the agreement ends we will apply to have our name removed from the record of the tribunal proceedings in which we are acting. We have the right to preserve a lien over any property of yours in our possession unless any money owed to us under this agreement is paid in full. This means we can keep your papers until you pay us in full.

## **7. Costs**

Employment tribunals have the power to award costs in limited circumstances. If the tribunal awards costs against your opponent you pay us those costs for the work we have done for you at £258.50 per hour, with letters and telephone calls charged at £25.85 each, unless they last for ten minutes or longer in which case they will be charged at the appropriate proportion of the hourly rate. All these figures include VAT at the standard rate of 17.5%.

In other words, if you win, you will pay us 40% of your damages whether or not we also recover any costs from your opponent.

If you lose and you are ordered to pay costs to your opponent, then those costs will be payable by you.

The 2004 Regulations in relation to costs in employment tribunals state:

*38(1) Subject to paragraph (2) and in the circumstances listed in rules 39, 40 and 47 a tribunal or chairman may make an order ('a costs order') that -*

*(a) a party ('the paying party') make a payment in respect of the costs incurred by another party ('the receiving party');*

*(b) the paying party pay to the Secretary of State, in whole or in part, any allowances (other than allowances paid to members of tribunals) paid by the Secretary of State under section 5(2) or (3) of the Employment*

*Tribunals Act to any person for the purposes of, or in connection with, that person's attendance at the tribunal.*

- 40(1) *A tribunal may make a costs order when on the application of a party it has postponed the day or time fixed for or adjourned a Hearing or pre-hearing review. The costs order may be against or, as the case may be, in favour of that party as respects any costs incurred as a result of the postponement or adjournment.*
- (2) *A tribunal or chairman shall consider making a costs order against a paying party where, in the opinion of the tribunal or chairman (as the case may be), any of the circumstances in paragraph (3) apply. Having so considered, the tribunal or chairman may make a costs order against the paying party if it or he considers it appropriate to do so.*
- (3) *The circumstances referred to in paragraph (2) are where the paying party has in bringing the proceedings, or he or his representative has in conducting the proceedings, acted vexatiously, abusively, disruptively or otherwise unreasonably, or the bringing or conducting of the proceedings by the paying party has been misconceived.*
- (4) *A tribunal or chairman may make a costs order against a party who has not complied with an order or practice direction.*

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This agreement is a Non-Contentious Business Agreement within the meaning of section 57 of the Solicitors Act 1974

Signed for the solicitors

Signed by the client

UNDERWOODS

(CLIENT'S NAME)