

# CONDITIONS GOVERNING THE PAYMENT OF LAWYERS' FEES

## 1. DETAILS

The payment of lawyers' fees by ALEBA is always on an exceptional basis and free of charge. It may be refused in order to preserve the economic integrity or independence of ALEBA. It may also be limited in order to offer a quality service to a larger number of clients. It will only be granted if, and only if, the Member concerned derives a real and quantifiable benefit in relation to his or her initial situation.

Please note: any assumption of liability is subject to the prior agreement of the ALEBA Executive Committee. Once approved, the Member undertakes to remain affiliated for at least 2 years after the end of the dispute.

Any new ALEBA Member (less than 12 actual months of membership) for whom the dispute would have to be brought before the courts will be required to pay a guarantee of 820 euros excluding VAT to ALEBA in the event of a lawyer chosen by ALEBA being appointed. The lifting of the waiting period is not considered in the calculation of the actual 12 months and remains due under the conditions set out above.

For all ALEBA Members, in the event of being taken on by a lawyer and if applicable, a tripartite fee-for-result agreement will be signed between the lawyer and the Member, under the administration of ALEBA.

Note that this coverage by a lawyer chosen by ALEBA will cover:

- Taking charge of the Member and carrying out a legal analysis of his or her situation;
- Legal advice as to what should be done;
- Proceedings as defendant or claimant in accordance with article 3 hereof and the tripartite management agreement.

In the event of a charge being made, the sums may only be used to:

- Remunerate the lawyer with a view to obtaining for the Member a pecuniary advantage going beyond what is required by law and in such a way as to enable ALEBA to appoint highly competent lawyers;

- Reimburse ALEBA for advances made to the instructed law firm;
- Allow ALEBA, if it deems it in the interest of its Members, to set up a fund to fight battles or to take any action in the interest of its Members in general or of a Member in particular.

ALEBA is under no obligation to pay the fees of its Members' lawyers, all of which remain at the discretion of its legal department and subject to the approval of its Executive Committee or its representative(s) in charge of the ALEBA Legal Department.

## **2. PROCEDURE**

The request for coverage must be submitted by the Member via the lawyer, the Legal Department, a member of the Coordination team or any other person in charge of the Member's file, who will forward the request to the lawyer, The latter will send back to ALEBA the reasons for the need for ALEBA to take charge of the case, to be validated or not by the ALEBA Executive Committee, or its representative, for each instance (for example, if the Member wishes to appeal after an initial instance, he/she must submit a new request for ALEBA to take charge of the case).

The Executive Committee of ALEBA will choose the lawyer in charge of defending the interests of its Member. In principle, ALEBA will pay the fees invoiced by the lawyer in the context of the proceedings for which coverage is requested.

In the event that the Member is entitled to have his/her legal fees covered by legal expenses insurance, the Member must first apply for such insurance and will only be entitled to cover from ALEBA on a complementary basis.

ALEBA undertakes to pay the lawyer's fixed fees if the Executive Committee agrees. The Member is expressly informed that the lawyer may claim fees based on the outcome of the case in the event of a positive outcome (judgment, settlement, etc.). In this case, a tripartite agreement must be signed beforehand at the request of ALEBA and the lawyer.

Furthermore, in the event that ALEBA takes charge of the case, the Member shall not be required to pay any fees or expenses whatsoever to the lawyer chosen by ALEBA, except on presentation of a receipt and proof of payment; the Lawyer may claim from the Member the costs incurred by the various procedures and in particular bailiff's fees, witness fees and expert fees which shall be advanced by the Lawyer, with the

exception of translation costs which shall be advanced by the Member and borne in full by the latter.

### **3. SCOPE**

ALEBA's services cover all legal advice and litigation, mainly in employment law and social security law, directly or indirectly related to the employment contract. These services include:

- Legal advice;
- Necessary and useful proceedings to be brought by the Member;
- Necessary and useful procedures to contest proceedings brought against the Member.

This includes legal proceedings before all courts in the Grand Duchy of Luxembourg, including but not limited to summary proceedings, Labour Court, Court of Appeal, Court of Cassation, Steering Committee, Arbitration Board, Board of Governors.

However, proceedings to be brought before European or international courts shall be excluded and shall require the special, express and prior written agreement of ALEBA.

ALEBA will not bear the cost of any translation of documents required for the examination of the case. Likewise, ALEBA will not bear any bailiff's costs, particularly in the event of summons by bailiff. The above-mentioned costs remain entirely at the Member's expense.

### **4. CONDITIONS**

At the time of the request for assistance and throughout the period of assistance, the Member undertakes to diligently provide all useful or necessary information and documents that may be requested by ALEBA and by the law firm for the proper execution of its mandate.

The relevance of the information and documents requested remains at the sole discretion of the law firm. If the Member fails to provide the information and documents in a timely manner, the assumption of responsibility will be revoked and the costs paid by ALEBA in connection with the assumption of responsibility, including

those incurred during the initial analysis of the assumption of responsibility, may be claimed from the Member.

Once the case has been transmitted to the lawyer, ALEBA is discharged from the file and shall not be held liable for the expiry of any procedural time limit that expires after the file has been transmitted or for any other damage caused to the Member in connection with the management of his or her file.

ALEBA shall not participate in the strategic choices of the defence of the Member's interests once the mandate has been entrusted to a lawyer. Consequently, ALEBA cannot be held responsible for any strategic choices made between the lawyer and the Member. It should be remembered that ALEBA only acts as a paying third party within the limits of the conditions of assumption of responsibility as set out in this document or in any other document signed between the parties at the time of assumption of responsibility or subsequently, as well as in any ad hoc decision that the Executive Committee may take with regard to each case.

By making a request to ALEBA, the Member expressly acknowledges that he/she releases the lawyer chosen by ALEBA from their professional secrecy with regard to ALEBA. The Member therefore expressly authorises the appointed law firm to provide ALEBA with all documents and information relating to the case, in particular, details of services rendered, copies of pleadings and all judicial and/or administrative decisions and/or any settlement that may be reached. Failing to release the lawyer from his professional secrecy with regard to ALEBA, the Member irrevocably undertakes to reimburse ALEBA the amounts disbursed for the defence of his interests. In this context, the Member also allows ALEBA to use the information and documents anonymously for the purposes of publication and information of general interest intended for its Members or the public.

ALEBA shall not be held responsible for the outcome of proceedings referred to the lawyer. ALEBA shall not be responsible for the payment of any order made by its Member for the payment of costs and expenses of the proceedings, for the payment of a procedural indemnity based on Article 240 of the New Code of Civil Procedure or on Article 194 of the Code of Criminal Procedure, for any criminal and/or civil judgment against the opposing party or for any other amount whatsoever.

If the opposing party is ordered to pay a procedural indemnity based on article 240 of the New Code of Civil Procedure or article 194 of the Code of Criminal Procedure, these amounts shall revert to the ALEBA.

If the Member decides to withdraw the mandate from the law firm chosen by ALEBA or to appoint a law firm of its choice, ALEBA will not pay the fees of another law firm, except with the prior written agreement of the Executive Committee signed by the authorised persons. In such circumstances, ALEBA reserves the right to reclaim any sums incurred to date.

ALEBA will not pay fees in the event of a conflict of interest with ALEBA or with another ALEBA Member.

If the Member receives an offer which, after analysis by ALEBA and/or the lawyer appointed by ALEBA, proves to be of an amount estimated to be higher than what it could obtain in court, then the Member shall either accept this settlement amount on the advice of ALEBA, or decide to continue with a lawyer of his/her choice at his or her own expense, and ALEBA shall suspend support for the lawyer.

## **5. SPECIAL CASES**

### **1. Conditions of coverage for Members with less than one year's seniority: union spirit prevails**

When a Member applies for ALEBA coverage after having been a member for less than 12 months, he/she is still in the waiting period, during which he/she cannot claim full coverage by ALEBA.

It is reminded that membership of ALEBA entitles the Member in good standing to all of ALEBA's legal advice, even if the waiting period is not yet over.

The waiver is necessary when a lawyer is called upon in the Member's name and assigned to the Member for the defence of his/her interests against a third party in the context of employment or social security law.

In addition, if the defence of this Member by a lawyer chosen by ALEBA must go through the competent courts in the context of his dispute, and subject to the prior agreement of the Executive Committee after detailed study of his case, he/she will have to:

- Pay a financial contribution of 820 euros excl. VAT to ALEBA, in addition to the retroactive payment of one year's ALEBA membership fee (already paid if the waiting period is lifted, to be completed otherwise, excluding promotional offers);

- Agree to and sign a tripartite fee-for-results agreement that may apply depending on the circumstances.

## **2. Special conditions for Members benefiting from a promotional offer**

Any member having joined ALEBA as part of a promotional offer (young members under 30, retired members, sponsored members, etc.) is subject to the same conditions as other members, in particular those described in point 5.1. above, unless the terms of the promotion expressly stipulate otherwise, and as long as a full year's subscription has not been paid to ALEBA by the new Member.

Therefore, unless otherwise stipulated in the promotional offer, these Members will also have to lift the waiting period by paying an amount equivalent to one year's subscription. In addition, they will have to contribute 960 euros including VAT, in accordance with the conditions described in the previous point, and accept and sign a tripartite fee-for-results agreement which may apply depending on the circumstances.

## **3. Commitment to membership and conditions of cover**

When a decision in favour of the Member is rendered, the Member irrevocably undertakes to remain affiliated to ALEBA for the duration of the proceedings or the settlement of the dispute by ALEBA, and for a minimum of two consecutive years after the end of the dispute, by paying his/her membership fees on time.

In the event of disaffiliation during the course of the proceedings, of failure to comply with this obligation or of non-payment of the membership fees, the agreement to take charge will be automatically revoked. In this case, the Member irrevocably undertakes to reimburse ALEBA in full the amounts paid in respect of his or her file.

## **4. Results agreement and conditions of application**

For all members, and if applicable, a tripartite fee-for-results agreement will be signed between the lawyer and the Member, under the administration of ALEBA. This agreement will relate solely to the benefits obtained through the lawyer's intervention, excluding anything that falls within the legal framework or rights already acquired by the Member independently.

A fixed reference table will be made available to guarantee the transparency of the calculation, which will be carried out in consultation with ALEBA.

The verification and applicability of this agreement will be examined in collaboration with the lawyer in charge of the case.

## **5. Disputes**

All claims or disputes concerning the mandate and fees of the lawyer chosen by ALEBA shall be settled exclusively between the lawyer and ALEBA.

## **ANNEX 1**

In addition to the basic fixed fee paid by ALEBA, a performance fee is charged as follows:

- 20% on the sums that the Member may obtain up to 20,000 euros;
- 15% on the portion of these sums in excess of 20,000 euros up to 60,000 euros;
- 10% on the portion of these sums in excess of 60,000 euros up to 100,000 euros;
- 5% on the portion of these sums in excess of €100,000.

These fees may be deducted from the sums recovered by the lawyer.

The fees on the sums recovered would be due even if the lawyer were discharged from his mission after having undertaken the required diligence.

The sums recovered are understood to be all gross sums obtained by way of settlement or in court, excluding costs, emoluments and procedural indemnities.

These sums must be paid in the lawyer's third-party account, but those paid into the Member's bank account, in whole or in part, will be considered.

The lawyer will draw up a precise statement of the sums effectively recovered, as well as a precise calculation of his fees, which he will then communicate to the Member and to ALEBA.

He/she shall attach supporting documents at the request of the Member or ALEBA.

Result fees are only payable once the result has been achieved and only on the sums actually recovered by the lawyer.

Result fees are not to be offset against the fixed fees to which they are added.