



LEGAL SERVICES

BEFORE CONTACTING ARAG TO MAKE A CLAIM OR DISCUSS ANY LEGAL ADVICE, PLEASE CONTACT THE CRAFT BAKERS ASSOCIATION IN THE FIRST INSTANCE IN ORDER THAT WE CAN ALSO MAKE A NOTE OF ANY CLAIMS YOU MAY BE HAVING TO MAKE

01920 468061.

National Association of Master Bakers Essential Business Legal Policy Document

Policy number: 501551

Please read this policy carefully to familiarise yourself with the terms and conditions, as well as the

- legal and tax helpline and
- the claim reporting procedures

If you are unsure about anything in this document please contact whoever you purchased your policy from.

Telephone Helplines

24/7 legal advice on business matters within EU law	0844 493 2856
UK tax advice 9am to 5pm weekdays	0844 581 0400
24/7 confidential counselling	0844 477 1619

Make a claim

To report a claim call 0117 917 1698 between 9am and 5pm weekdays (except bank holidays) or go online www.arag.co.uk/newclaims

Let's make it happen with Essential Business Legal

Legal expenses cover will empower you to pursue or defend your commercial legal rights in the future. With support from ARAG you and your business could be protected from legal costs arising from:

- employment disputes and compensation awards
- tax protection

Who is ARAG?

ARAG plc is a legal expenses and assistance insurance provider, operating nationwide from our headquarters in Bristol. Our mission from the very beginning has been to enable every citizen to be able to assert their legal rights.

We are experts in advancing the concept of legal insurance with innovative products and services, by understanding the many and varied legal systems that exist.

Our pioneering spirit has made us successful in an international market environment. ARAG plc is part of ARAG SE and recognised as a global leader, generating a premium income of over €1.5 billion per annum.

Our ethos is to work in partnership with our clients, listening to your expectations. With ARAG, there is no need to put your business on hold.

Legal and tax advice

In the event of a legal or tax problem we strongly recommend that you initially take advantage of our confidential legal and tax advice helpline which is provided as part of this policy; the only cost to you is a national rate call. The legal advice helpline is open 24/7 and tax advice is available between 9am and 5pm on weekdays. The advice covers UK tax or business legal matters within EU law and you can use this service as often as you like. Your query will be dealt with by a suitably qualified specialist experienced in handling a range of legal and tax related matters.

You can get advice by telephoning 0844 493 2856. Use of this service does not constitute reporting of a claim.

Counselling assistance

In the event of an employee needing confidential help and advice, our counsellors are available 24 hours a day, 365 days of the year.

Our trained counsellors are available to provide telephone support on any matter that is causing your employee upset or anxiety, from personal problems to bereavement.

Assistance is available by telephoning 0844 477 1619.

Claims procedure

If you need to make a claim or are considering carrying out a redundancy, you must notify us as soon as possible.

1. Under no circumstances should you instruct your own lawyer or accountant as we will not pay their costs and it could invalidate your cover.
2. You can request a claim form between 9am and 5pm Monday to Friday (except bank holidays) by telephoning 0117 917 1698 or online at www.arag.co.uk/newclaims (for our mutual protection and training purposes, calls may be recorded).
3. We will issue you with a written acknowledgement within one working day of receiving your claim form.
4. Within five working days of receiving all the information needed to assess the availability of cover under the policy, we will write to you either:
 - confirming the appointment of a suitably qualified representative who will promptly progress the claim for you; or
 - if the claim is not covered, explaining in full why and whether we can assist in another way.

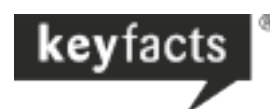
What happens if the insurer cannot meet its liabilities?

Brit Syndicate 2987 at Lloyd's is covered by the Financial Services Compensation Scheme (FSCS). You may be entitled to compensation of up to 90% of the cost of your claim in the unlikely event that the insurer cannot meet its obligations. Further information about compensation scheme arrangements is available from the FSCS.

About us and your insurer

ARAG plc and Brit Syndicate 2987 at Lloyd's managed by Brit Syndicates Limited are authorised and regulated by the Financial Services Authority, registration number 452369 and 204930 respectively. This can be checked by visiting the FSA website at www.fsa.gov.uk/register or by contacting the FSA on 0845 606 1234. ARAG plc is covered by the Financial Ombudsman Service. www.ARAG.co.uk

This is a summary of cover. For the full terms and conditions of the policy, please read the policy wording.



Significant Features & Benefits	Significant Exclusions or Limitations	Policy Section
The insurer will pay the insured's legal costs & expenses (and compensation awards under Insured Event 2) up to the limit of indemnity, including the cost of appeals for claims reported during the period of insurance for the following Insured Events.	<ul style="list-style-type: none"> • The insured's claim must always be more likely than not that the claim will be successful. It must also be reported to us immediately after the insured first becomes aware that a claim has occurred. • The insured must always use the appointed advisor nominated by us, prior to the issue of proceedings or in any claim falling under the jurisdiction of an Employment Tribunal or the small claims court. • Legal costs, expenses, and compensation awards incurred prior to the acceptance of a claim. 	<p>WHAT IS INSURED</p> <p>3)</p> <p>4)</p> <p>WHAT IS NOT INSURED</p> <p>1.</p>

<p>1 EMPLOYMENT We will defend an employment dispute with a past, present, or prospective employee, arising from a contract for services and/or statutory employment rights.</p>	<ul style="list-style-type: none"> Any redundancy-related claim occurring within 180 days of you taking out this policy. Any dispute relating to a transfer under TUPE. Any dispute or related costs occurring prior to the conclusion of the relevant grievance/disciplinary procedures. 	<p>What is not insured under Insured Event 1</p> <ol style="list-style-type: none">
<p>2 EMPLOYMENT COMPENSATION AWARDS We will pay a basic and compensatory award made against you by a tribunal, or an amount agreed by us in settlement of a dispute, where we have accepted your claim under Insured Event 1.</p>	<ul style="list-style-type: none"> Any claim for redundancy where you have not sought our prior advice. Money due to an employee under a contract of employment. 	<p>2 EMPLOYMENT COMPENSATION AWARDS (ii)</p> <p>What is not insured under Insured Event 2</p> <ol style="list-style-type: none">
<p>3 TAX PROTECTION We will cover a formal aspect or full enquiry into your business tax affairs, and appeal proceedings following an assessment by HM Revenue & Customs relating to VAT.</p>	<ul style="list-style-type: none"> We will not pay the first £250 of any claim relating to a formal aspect enquiry. An investigation by the Specialist Investigations Branch of HM Revenue and Customs. Any claim where you have acted negligently or have not met legal timescales. 	<p>3 TAX PROTECTION</p> <ol style="list-style-type: none"> <p>What is not insured under Insured Event 3</p> <ol style="list-style-type: none">
<p>Legal & Tax Advice The insured can use the legal advice service 24/7 and the tax advice service between 9am - 5pm weekdays.</p>	<ul style="list-style-type: none"> We will not put any advice in writing. Legal advice will be restricted to business matters within EU law. Tax advice is restricted to UK tax regulations. 	
<p>Counselling Assistance The insured can use this telephone assistance service 24 hours a day, 365 days of the year.</p>		
	<p>Territorial Limit The United Kingdom, Channel Islands and the Isle of Man, except for Compliance & Regulation where cover extends to the European Union.</p> <p>Limit of Indemnity The maximum the insurer will pay is £100,000.</p> <p>Period of Insurance Your policy runs for 12 months, though either party can cancel it earlier subject to the terms and conditions of the policy.</p>	<p>MEANING OF WORDS & TERMS</p> <p>MEANING OF WORDS & TERMS</p> <p>MEANING OF WORDS & TERMS</p>

Essential Business Legal

This policy is evidence of the contract between **you** and the **insurer**.

WHAT IS INSURED

For those Insured Events shown in the schedule, the **insurer** will pay the **insured's legal costs & expenses** (and compensation awards under Insured Event 2) up to the **limit of indemnity**, including the cost of appeals provided that:

- 1) **you** have paid the insurance premium
- 2) the Insured Event arises in connection with the business shown in the schedule and occurs within the **territorial limit**
- 3) the claim
 - always has **reasonable prospects of success**
 - is reported to **us**
 - during the **period of insurance**
 - immediately after the **insured** first becomes aware of circumstances which could give rise to a claim under this policy
- 4) unless there is a conflict of interest, the **insured** always agrees to use the **appointed advisor** nominated by **us** in any claim
 - falling under the jurisdiction of an Employment Tribunal or the **small claims court**, and/or
 - prior to the issue of legal proceedings
- 5) any proceedings or hearing are dealt with by a court, tribunal or other body that **we** agree to, in the **territorial limit**

INSURED EVENTS

Automatic cover

1 EMPLOYMENT

Defending **you** in an employment dispute with an employee, ex-employee, prospective employee or trade union acting on their behalf, arising from a breach or an alleged breach of their

- a) contract of service with **you** and/or
- b) statutory rights under employment legislation.

An employment dispute is deemed to have occurred once all internal dismissal, disciplinary and grievance procedures as set out by the Advisory Conciliation and Arbitration Service in the ACAS code of practice on disciplinary and grievance procedures have been or ought to have been concluded.

What is not insured under Insured Event 1

Any claim:

1. for redundancy, alleged redundancy or unfair selection for redundancy, occurring during the first 180 days of this policy, except where **you** have had equivalent cover in force up until the start of this policy
2. arising from or relating to any transfer of business which falls under the scope of the Transfer of Undertakings (Protection of Employment) Regulations 2006
3. for **legal costs & expenses** relating to an internal disciplinary hearing or grievance.

2 EMPLOYMENT COMPENSATION AWARDS

Following a claim **we** have accepted under Insured Event 1 any

- a) basic and compensatory award made against **you** by a tribunal

b) amount agreed by **us** in settlement of a dispute.

Provided that:

- (i) **reasonable prospects of success** exist for a wholly successful defence throughout
- (ii) in respect of compensation payable for redundancy, alleged redundancy or unfair selection for redundancy **you** have sought and followed advice from **us** or **our** agent throughout including prior to serving notice of the redundancy
- (iii) the compensation is awarded by a tribunal or through the ACAS Arbitration Scheme, under a judgment made after full argument other than by consent or default, or is payable under a settlement approved in writing by **us**.

What is not insured under Insured Event 2

Compensation awards relating to:

1. trade union activities, membership or non-membership, industrial or labour arbitration, collective bargaining agreements, trade union recognition or matters concerning European Works Council
2. money due to an employee under a contract of employment or a statutory provision relating thereto
3. **your** failure to comply with a reinstatement or re-engagement order
4. a breach of an employee's statutory rights under the National Minimum Wage Act 1998
5. civil claims or statutory rights relating to trustees of occupational pension schemes.

3 TAX PROTECTION

- a) A formal aspect or full enquiry into **your** business' tax affairs.
- b) An appeal following an assessment by HM Revenue & Customs relating to Value Added Tax.
- c) A dispute about **your** compliance with regulations relating to:
 - Pay As You Earn, or
 - Social Security, or
 - National Insurance Contributionsfollowing a review by HM Revenue and Customs.
- d) A formal aspect or full enquiry into the personal tax affairs of **your** directors and/or partners, provided that:
 1. all returns are completed and have been submitted within the statutory timescales permitted
 2. in respect of an aspect enquiry, the **insured** is responsible for the **excess** as shown in the schedule.

What is not insured under Insured Event 3

Any claim arising from or relating to:

1. an investigation by the Specialist Investigations Branch of HM Revenue and Customs
2. an investigation under the Civil Investigation of Fraud procedure
3. a tax avoidance scheme
4. the submission of returns or accounts where the HM Revenue & Customs levy a penalty or claim for interest or which contain negligent misstatements or where the **insured** falls below the standard of a reasonably prudent businessperson in keeping books and records
5. **your** failure to register for VAT.

WHAT IS NOT INSURED (applicable to the whole policy)

You are not **insured** for any claim arising from or relating to:

1. **legal costs & expenses** or compensation awards incurred before **we** accept a claim
2. any actual or alleged act, omission or dispute occurring prior to, or existing at the start of the policy, and which the **insured** knew or ought reasonably to have known could give rise to a claim under this policy
3. an allegation against the **insured** involving:
 - assault, violence or dishonesty;
 - malicious falsehood;
 - the manufacture, dealing in or use of alcohol, illegal drugs, indecent or obscene materials;
 - illegal immigration;
 - offences under Part 7 of the Proceeds of Crime Act 2002 (money laundering offences)
4. the defence of legal proceedings relating to
 - damages for personal injury (other than injury to feelings), or loss or damage to property owned by the **insured**
 - a breach or alleged breach of professional duty
 - any tortious liability except where covered under Insured Event 4 Property
5. fines, penalties or compensation except as covered under Insured Events 2
6. costs awarded against the **insured** by a court of criminal jurisdiction following a conviction
7. patents, copyright, trademarks, passing-off, trade or service marks, registered designs, secrecy and confidential information
8. a dispute with any subsidiary, parent, associated or sister company or between shareholders or partners
9. franchise rights or agency rights
10. a judicial review
11. a dispute with **us** or the **insurer** not dealt with under Condition 6
12. defamation
13. a)
 - ionising radiations or contamination by radioactivity from any nuclear fuel or from any nuclear waste or from the combustion of nuclear fuel
 - b) radioactive, toxic, explosive or other hazardous properties of any explosive nuclear assembly or nuclear component thereof
 - c) war, invasion, act of foreign enemy hostilities (whether war is declared or not), civil war, rebellion, revolution, insurrection or military or usurped power
 - d) pressure waves from aircrafts or other aerial devices travelling at sonic or supersonic speed
 - e) any terrorist action (regardless of any other cause or event contributing concurrently or in any other sequence to the liability) or any action taken in controlling, preventing or suppressing terrorist action. If the **insurer** alleges that by reason of this exclusion any liability or loss is not covered by this policy, the burden of proving the contrary shall be upon the **insured**.

CONDITIONS WHICH APPLY TO THE WHOLE POLICY

Failure to keep to any of these conditions, without good reason, will lead the **insurer** to cancel **your** policy, refuse a claim or withdraw from an ongoing claim. The **insurer** also reserves the right to recover **legal costs & expenses** from the **insured** should this occur.

1. The Insured's Responsibilities

An **insured** must:

- a) observe and keep to the terms of the policy
- b) not do anything that hinders **us** or the **appointed advisor**
- c) tell **us** immediately after first becoming aware of any cause, event or circumstances which could give rise to a claim under this policy
- d) tell **us** immediately of anything that may materially alter **our** assessment of the claim

- e) cooperate fully with the **appointed advisor** and **us**, give the **appointed advisor** any instructions **we** require, and keep them updated with progress of the claim
- f) provide **us** with everything **we** need to help **us** handle the claim
- g) take reasonable steps to recover **legal costs & expenses** that the **insurer** pays and pay to the **insurer** all costs that are recovered should these be paid to the **insured**
- h) tell the **appointed advisor** to have the **legal costs & expenses** assessed or audited if **we** require
- i) minimise any **legal costs & expenses** and try to prevent anything happening that may cause a claim
- j) allow the **insurer** at any time to take over and conduct in the **insured's** name, any claim, proceeding or investigation.

2. The Appointed Advisor

- a) In certain circumstances as set out in 2 c) below, the **insured** may choose an **appointed advisor**. In all other cases no such right exists and **we** shall choose the **appointed advisor**.
- b) Where the **insured** wishes to exercise their right to choose, they should write to **us** with their nominated representative's name and address. The **insured's** nominated representative must agree to act under **our** standard terms of business and cooperate with **us** at all times. If **we** disagree over the appointment of an **appointed advisor** then **we** will agree for another suitably qualified person to decide the matter.
- c) If **we** agree to start legal proceedings and the court or tribunal requires any representative to be legally qualified, or there is a conflict of interest, the **insured** may choose a suitably qualified **appointed advisor**. The right of the **insured** to choose never applies to Employment Tribunal, tax protection or **small claims court** claims unless there is a conflict of interest.
- d) If the **appointed advisor** refuses to continue acting for the **insured** with good reason, the **insured** dismisses the **appointed advisor** without good reason, or the **insured** withdraws from the claim without **our** agreement, cover will end immediately unless **we** agree to appoint another **appointed advisor**.

3. Our Consent

We must give **our** written consent to the **insured** to incur **legal costs & expenses** or compensation awards. The **insurer** does not accept liability for **legal costs & expenses** or compensation awards incurred without **our** written consent.

4. Settlement

- a) The **insurer** has the right to settle the claim by paying the reasonable value of the claim.
- b) The **insured** must not negotiate, settle the claim or agree to pay **legal costs & expenses** incurred without **our** written agreement.
- c) If the **insured** refuses to settle the claim following
 - (i) a reasonable offer, or
 - (ii) advice to do so from the **appointed advisor**
 the **insurer** may refuse to pay further **legal costs & expenses**.

5. Counsel's Opinion

We may require the **insured** to obtain and pay for an opinion from counsel regarding the merits or value of the claim. If the opinion supports the **insured** then the **insurer** will pay for the opinion.

6. Arbitration

If there is a dispute between the **insured** and **us** about the handling of a claim or the choice of an **appointed advisor**, that is not resolved throughout **our** internal complaints procedure, the matter will be referred to a suitably qualified person agreed upon by both parties. The loser of the dispute shall be liable to pay the costs incurred. If **we** fail to agree on a suitable person **we** will ask the President of the relevant Law Society to nominate.

7. Dual Insurance

The **insurer** will not pay for any claim covered by another policy, or any claim that would have been covered by any other policy if this policy did not exist.

8. Fraudulent Claims

If the **insured** makes any claim under the policy which is fraudulent or false, the policy shall become void and all benefits under it will be forfeited including the premium.

9. Cancellation

You may cancel the policy at any time by giving at least 21 days' written notice to **us**. The **insurer** will refund part of the premium for the unexpired period unless the **insured** has noticed a claim which has been or is subsequently accepted under this policy in which case no return of premium shall be allowed.

The **insurer** may cancel the policy at any time by giving at least 21 days' written notice to **you**. The **insurer** will refund part of the premium for the unexpired period.

10. Acts of Parliament & Jurisdiction

All Acts of Parliament referred to within the policy shall include equivalent legislation in Scotland, Northern Ireland, the Isle of Man and the Channel Islands and any subsequent amendment or replacement legislation.

This policy will be governed by English Law.

11. Data Protection Act 1998

It is agreed by the **insured** that any information provided to **us** and/or the **insurer** regarding the **insured** will be processed by **us** and/or the **insurer**, in compliance with the provisions of the Data Protection Act 1998, for the purpose of providing insurance and handling claims, if any, which may necessitate providing such information to third parties.

12. Contracts (Rights of Third Parties) Act 1999

A person who is not party to this contract has no right to enforce the terms and conditions of this policy under the Contracts (Rights of Third Parties) Act 1999.

MEANING OF WORDS & TERMS

Certain words and terms contained in this policy have been defined as they have the same meaning wherever they appear.

Master policy

The master legal expenses policy issued by **us** to the **master policyholder**

Master policy holder

The holder of the **master policy**

You/Your/Insured

The member of the National Association of Master Bakers scheme to which this policy attaches issued by the **master policyholder** to the member

Appointed Advisor

The solicitor, accountant, or other advisor appointed by **us** to act on behalf of the **insured** under the terms of the policy.

Conditional Fee Agreement

The separate agreement between the **insured** and the **appointed advisor** for paying his or her professional fees which is an enforceable **conditional fee agreement** within the meaning of sections 58, 58A, Courts and Legal Services Act 1990 (as substituted and inserted by section 27, Access to Justice Act 1999), the format and contents of which have been agreed to by **us** before it is entered into.

Collective Conditional Fee Agreement

The separate agreement between the **appointed advisor** and **us** for paying his or her professional fees which is an enforceable **conditional fee agreement** within the meaning of sections 58, 58A, Courts and Legal Services Act 1990 (as substituted and inserted by section 27, Access to Justice Act 1999) which does not refer to specific proceedings but which provides for the **appointed advisor's** fees and expenses to be payable on a common basis.

Excess

The first amount of any claim.

Insurer

Brit Syndicate 2987 at Lloyd's (written under unique market reference B0356KA233D12A000 or replacement thereof).

Legal Costs & Expenses

- 1) In respect of all Insured Events other than as provided for in 2) below.
 - a) Reasonable legal costs, fees and disbursements reasonably and proportionately incurred by the **appointed advisor** on the Standard Basis and agreed in advance by **us**.
 - b) Reasonable accountancy fees, disbursements and other costs reasonably incurred by the **appointed advisor** and agreed in advance by **us**.
 - c) Other side's costs incurred in civil claims where the **insured** has been ordered to pay them or pays them with **our** agreement.
- 2) The **insured's** loss of earnings under Insured Event 5 h).

Limit of Indemnity

The maximum **legal costs & expenses** and compensation awards payable by the **insurer** in respect of all claims related by time or original cause, as shown in the schedule. In respect of Insured Event 2 the maximum amount payable by the **insurer** in respect of all claims aggregated in any one **period of insurance** as shown in the schedule.

Period of Insurance

The period as shown in **your** schedule.

Reasonable Prospects of Success

In civil proceedings and criminal prosecution claims (except where the **insured** pleads guilty), where the **insured** has a greater than 50% chance of successfully pursuing or defending their claim. If the **insured** is seeking damages or compensation, there must also be a greater than 50% chance of enforcing any judgment that might be obtained.

In criminal prosecution claims where the **insured** pleads guilty, where there is a greater than 50% chance of successfully mitigating the **insured's** sentence or fine. In tax claims, any dispute or appeal where the **insured** has a greater than 50% chance of being successful.

In all claims involving an appeal, where the **insured** has a greater than 50% chance of being successful.

Small Claims Court

A court in England & Wales that hears a claim falling under the Small Claims Track in the County Court as defined by Section 26.6 (1) of the Civil Procedure Rules 1999.

Territorial Limit

For all Insured Events the United Kingdom, Channel Islands and the Isle of Man.

We/Us/Our

ARAG plc who are authorised under a binding authority agreement to administer this insurance on behalf of the **insurer**, Brit Syndicate 2987 at Lloyd's.

Complaints

ARAG is committed to providing a first class service at all times. However, if a complaint arises, this should be addressed to our Customer Relations Department where we will arrange to have it reviewed at the appropriate level. We can be reached in the following ways:

ARAG plc, 9 Whiteladies Road, Clifton, Bristol, BS8 1NN
customerrelations@arag.co.uk
0844 472 2938 (hours of operation are 9am-5pm, Monday to Friday excluding bank holidays, for our mutual protection and training purposes, calls may be recorded).

If a complaint remains unresolved, you may refer it to the Financial Ombudsman Service (FOS) provided that it falls within their jurisdiction. The FOS can normally deal with complaints from small businesses with an annual turnover of less than €2 million. They can be contacted at:

Financial Ombudsman Service, South Quay Plaza, 183 Marsh Wall, London, E14 9SR
enquiries@financial-ombudsman.org.uk
0845 080 1800

The FOS's decision is binding upon the insurer, but you are free to reject it without affecting your legal rights.

If you do not accept the decision of the FOS, or your complaint cannot be dealt with by the FOS, it can be referred for independent arbitration as explained in condition 6 of the policy. The arbitration shall be subject to the Arbitration Acts and the arbitrator's decision shall be binding on the parties.

ARAG plc Registered in England number 02585818.
Registered address: 9 Whiteladies Road, Clifton, Bristol BS8 1NN

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