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Yours faithfully

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**Settlement agreement with shares and company car**

WITHOUT PREJUDICE SUBJECT TO CONTRACT
(1) **[Employer]** and (2) **[Employee]**

## SETTLEMENT AGREEMENT

THIS AGREEMENT is dated……
PARTIES

(1) **[Employer]** incorporated and registered in England and Wales whose registered office is at **[Address]** (Company).

(2) **[Your name]** of **[Address]** (Employee).

BACKGROUND

(A) The Employee’s employment with the Company terminated on **[Date]** (Termination Date).

(B) The parties have entered into this agreement to record and implement the terms on which they have agreed to settle any claims which the Employee has or may have in connection with his employment or its termination or otherwise against the Company or any Group Company (as defined below) or their officers or employees whether or not those claims are, or could be, in the contemplation of the parties at the time of signing this agreement, and including, in particular, the statutory complaints which the Employee raises in this agreement.

(C) The parties intend this agreement to be an effective waiver of any such claims and to satisfy the conditions relating to settlement agreements and settlement contracts in the relevant legislation.

(D) The Company enters into this agreement for itself and as agent and trustee for all Group Companies and it is authorised to do so. It is the parties’ intention that each Group Company should be able to enforce any rights it has under this agreement, subject to and in accordance with the Contracts (Rights of Third Parties) Act 1999.

AGREED TERMS

1. INTERPRETATION

1.1 The definitions in this clause apply in this agreement, including its schedules (unless otherwise stated).
Adviser: **[Adviser name]**

Board: the board of directors of the Company (including any committee of the board duly appointed by it).

Confidential Information: information in whatever form (including, without limitation, in written, oral, visual or electronic form or on any magnetic or optical disk or memory and wherever located) relating to the business, products, affairs and finances of the Company or any Group Company for the time being confidential to the Company or any Group Company and trade secrets including, without limitation, technical data and know-how relating to the business of the Company or any Group Company or any of their suppliers, clients, customers, agents, distributors, shareholders or management, including (but not limited to) information that the Employee created, developed, received or obtained in connection with his employment, whether or not such information (if in anything other than oral form) is marked confidential.

Copies: copies or records of any Confidential Information in whatever form (including, without limitation, in written, oral, visual or electronic form or on any magnetic or optical disk or memory and wherever located) including, without limitation, extracts, analysis, studies, plans, compilations or any other way of representing or recording and recalling information which contains, reflects or is derived or generated from Confidential Information.

Group Company: the Company, its Subsidiaries or Holding Companies from time to time and any Subsidiary of any Holding Company from time to time, including but not limited to any company within the **[Company name]** Group of Companies.

Subsidiary and Holding Company: in relation to a company mean “subsidiary” and “holding company” as defined in section 1159 of the Companies Act 2006 and a company shall be treated, for the purposes only of the membership requirement contained in subsections 1159(b) and (c), as a member of another company even if its shares in that other company are registered in the name of (a) another person (or its nominee), whether by way of security or in connection with the taking of security, or (b) a nominee.

2. ARRANGEMENTS ON TERMINATION

2.1 The Company shall pay the Employee his salary up to the Termination Date in the usual way.

2.2 The Company shall continue to provide benefits to the Employee in the usual way up to the Termination Date.

2.3 The Company shall make a payment to the Employee in respect of x days outstanding holiday untaken, up to and including the Termination Date.

2.4 The payments and benefits in this clause 2 shall be subject to the income tax and national insurance contributions that the Company is obliged by law to pay or deduct.

2.5 The Employee shall submit within 14 days of the Termination Date his expenses claims in the usual way and the Company shall reimburse the Employee for any expenses properly incurred before the Termination Date in the usual way.

3. TERMINATION PAYMENT

3.1 The Company shall within 14 days of the Termination Date or receipt by the Company of a copy of this agreement signed by the Employee with the Certificate in Schedule 3 completed by the Adviser, whichever is later, pay to the Employee by way of compensation for the termination of his employment £x (Termination Payment).

3.2 The Company and the Employee believe that the first £30,000 of the Termination Payment will be tax free. The remainder of the Termination Payment will be subject to deductions for income tax at the appropriate rate. The Employee shall be responsible for any further tax and employee’s National Insurance contributions due in respect of the Termination Payment.

3.3 The Company shall transfer ownership to the Employee of the Company Car (registration number XXXX) currently in his possession, such transfer be on the basis that the Company makes no representation and gives no warranty as to the state of repair, condition or roadworthiness of the said motor car and that the Employee is fully aware of its state of repair, condition or roadworthiness and of all and any defects in the same it being in his possession. . This benefit in kind (valued at £10,000) will be recorded on the Employee’s P11D and which will attract tax from the Employee at the appropriate rate.

3.4 EXECUTIVE SHARE OPTIONS the Executive’s share options that are exercisable in 2012, listed in Schedule 5 hereto, will, subject to the Performance Share Plan conditions and other rules and conditions of the relevant scheme being satisfied, be exercised as specified in the relevant scheme of **[Date]**. For the avoidance of doubt, should other Regional Directors receive grants of share options in 2012, the Employee will also receive grants of his options.

4. LEGAL FEES

The Company shall pay to £500 + VAT as a contribution to your legal costs in connection with the termination of your employment, including signing this agreement, such fees to be payable to x following production of their invoice.

5. WAIVER OF CLAIMS

5.1 The Employee agrees that the terms of this agreement are offered by the Company without any admission of liability on the part of the Company and are in full and final settlement of all and any claims or rights of action that the Employee has or may have against the Company or any Group Company or their officers or employees whether arising out of his employment with the Company or its termination, or their office holding in the Company or any Group Company or its termination, whether under equity, common law, contract, statute, tort, EU law or otherwise, whether such claims are known or unknown to the parties or are, or could be, in their contemplation at the date of this agreement in any jurisdiction and including, but not limited to, the claims specified in Schedule 2 (each of which is hereby intimated and waived).

5.2 The waiver in clause 5.1 shall not apply to the following:

(a) any claims by the Employee to enforce this agreement;

(b) any personal injury claims which have not arisen at the date of this agreement and any personal injury claims of which the Employee is not aware at the date of this agreement; and

(c) accrued pension rights.

5.3 The parties acknowledge and agree that, by entering into this agreement the Employee raises complaints of the type more particularly described in Schedule 2 only to immediately settle them on the terms and conditions set out herein and that the purpose and intention of this agreement is to lawfully and validly exclude, waive and settle such complaints.

5.4 The Employee warrants that:

(a) before entering into this agreement he received independent advice from the Adviser as to the terms and effect of this agreement and, in particular, on its effect on his ability to pursue any complaint before an employment tribunal or other court;

(b) the Adviser has confirmed to the Employee that they are a solicitor of the Senior Courts of England and Wales holding a current practising certificate and that there is in force a policy of insurance covering the risk of a claim by the Employee in respect of any loss arising in consequence of their advice;

(c) the Adviser shall complete and sign the Certificate in Schedule 3 to this agreement;

(d) before receiving the advice he disclosed to the Adviser all facts or circumstances that may give rise to a claim against the Company or any Group Company or their officers or employees and that he is not aware of any other facts or circumstances that may give rise to any claim against the Company or any Group Company or their officers or employees other than those claims specified in clause 5.1; and

(e) the only claims that he has or may have against the Company or any Group Company or their officers or employees (whether at the time of entering into this agreement or in the future) relating to his employment with the Company or its termination are specified in clause 5.1.

The Employee acknowledges that the Company acted in reliance on these warranties when entering into this agreement.

5.5 The parties acknowledge that the conditions regulating settlement agreements and settlement contracts under section 147 of the Equality Act 2010 (including but not limited to section 147(3) (c) and (d)), section 77(4A) of the Sex Discrimination Act 1975 (in relation to claims under that Act and the Equal Pay Act 1970), section 72(4A) of the Race Relations Act 1976, paragraph 2 of Schedule 3A to the Disability Discrimination Act 1995, paragraph 2(2) of Schedule 4 to the Employment Equality (Sexual Orientation) Regulations 2003, paragraph 2(2) of Schedule 4 to the Employment Equality (Religion or Belief) Regulations 2003, paragraph 2(2) of Schedule 5 to the Employment Equality (Age) Regulations 2006, section 288(2B) of the Trade Union and Labour Relations (Consolidation) Act 1992, section 203(3) of the Employment Rights Act 1996, regulation 35(3) of the Working Time Regulations 1998, section 49(4) of the National Minimum Wage Act 1998, regulation 41(4) of the Transnational Information and Consultation etc. Regulations 1999, regulation 9 of the Part-Time Workers (Prevention of Less Favourable Treatment) Regulations 2000, regulation 10 of the Fixed-Term Employees (Prevention of Less Favourable Treatment) Regulations 2002, regulation 40(4) of the Information and Consultation of Employees Regulations 2004 and paragraph 12 of the Schedule to the Occupational and Personal Pension Schemes (Consultation by Employers and Miscellaneous Amendment) Regulations 2006 have been satisfied and are met.

5.6 The waiver in clause 5.1 shall have effect irrespective of whether or not, at the date of this agreement, the Employee is or could be aware of such claims or have such claims in his express contemplation (including such claims of which the Employee becomes aware after the date of this agreement in whole or in part as a result of new legislation or the development of common law or equity).

5.7 The Employee agrees that, except for the payments and benefits provided for in this agreement, and subject to the waiver in clause 5.1, he shall not be eligible for any further payment from the Company or any Group Company relating to his employment or its termination and without limitation to the generality of the foregoing, he expressly waives any right or claim that he has or may have to payment of bonuses, any benefit or award programme or grant of equity interest, or to any other benefit, payment or award he may have received had his employment not terminated.

6. EMPLOYEE INDEMNITIES

6.1 The Employee shall indemnify the Company on a continuing basis in respect of any income tax or national insurance contributions (save for employers’ national insurance contributions) in respect of the payments and benefits in clause 3.1 (and any related interest, penalties, costs and expenses). The Company shall give the Employee reasonable notice of any demand for tax which may lead to liabilities on the Employee under this indemnity and shall provide him with reasonable access to any documentation he may reasonably require to dispute such a claim (provided that nothing in this clause shall prevent the Company from complying with its legal obligations with regard to HM Revenue and Customs or other competent body).

6.2 If the Employee breaches any material provision of this agreement or pursues a claim against the Company any Group Company arising out of his employment or its termination other than those excluded under clause 5, he agrees to indemnify the Company for any losses suffered as a result thereof, including all reasonable legal and professional fees incurred.

6.3 If despite the provisions of this Agreement the Employee pursues any of the claims referred to in schedule 2, the Employee shall immediately on demand from the Company the Termination Payment, and which shall be recoverable as a debt.

7. RETURN OF COMPANY PROPERTY

7.1 The Employee as at the date of this agreement warrants that he has returned to **[Name]** on behalf of the Company:

(a) all Confidential Information and Copies;

(b) all property belonging to the Company in satisfactory condition including (but not limited to) any car (together with the keys and all documentation relating to the car), fuel card, company credit card, keys, security pass, identity badge, mobile telephone, pager, lap-top computer or fax machine;

(c) all documents and copies (whether written, printed, electronic, recorded or otherwise and wherever located) made, compiled or acquired by him during his employment with the Company or relating to the business or affairs of the Company or any Group Company or their business contacts; and

(d) all passwords to all computers or computer files or electronic documents used or generated or accessed by the Employee in connection with his employment by the Company
in the Employee’s possession or under his control.

7.2 The Employee as at the date of this agreement, warrants that he has deleted irretrievably any information relating to the business of the Company or any Group Company that he has stored on any magnetic or optical disk or memory and all matter derived from such sources which is in his possession or under his control outside the premises of the Company.

7.3 The Employee shall, if requested to do so by the Company or Board, provide a signed statement that he has complied fully with his obligations under clause 7.1 and clause 7.2 and shall provide it with such reasonable evidence of compliance as may be requested.

8. EMPLOYEE WARRANTIES AND ACKNOWLEDGMENTS

8.1 As at the date of this agreement, the Employee warrants and represents to the Company that there are no circumstances of which the Employee is aware or of which the Employee ought reasonably to be aware which would amount to a repudiatory breach by the Employee of any express or implied term of the Employee’s contract of employment which would entitle (or would have entitled) the Company to terminate the Employee’s employment without notice or payment in lieu of notice and any payment to the Employee pursuant to clause 3 is conditional on this being so.

8.2 As at the date of this agreement, the Employee warrants that he has not received or accepted any offer which will provide him with any form of income or benefits at any time after the Termination Date.

8.3 The Employee acknowledges that he is not entitled to any compensation for the loss of any rights or benefits under any share option, bonus, long-term incentive plan or other profit sharing scheme operated by any Group Company in which he may have participated other than the payments in clause 2.

9. REFERENCE

On receipt of a written request from a potential employer, the Company shall provide a reference in the form set out in Schedule 1 to this agreement and any oral reference or questionnaire requested will be refused and instead met with a copy of the written reference in Schedule 1 hereto. If the Company obtains information after the date of this agreement which would have affected its decision to provide a reference in the form in Schedule 1, it shall inform the Employee and may decline to give a reference.

10. RESIGNATION FROM OFFICES

10.1 The Employee shall on the date of this agreement immediately resign from office as Director of the Company and shall resign immediately from any other office, trusteeship or position that he holds in or on behalf of the Company or any Group Company, such resignations to be in the form of the letter in Schedule 3.

The Employee irrevocably appoints the Company to be his attorney in his name and on his behalf to sign, execute or do any such instrument or thing and generally to use his name in order to give the Company (or its nominee) the full benefit of the provisions of this clause..

11. COVENANTS

11.1 Notwithstanding clause 13, the Employee acknowledges that the post-termination restrictions in clause 11, 12 and 18 of his contract with the Company, effective as of 1st July 2008, will continue to apply after the Termination Date.

12. CONFIDENTIALITY AND ANNOUNCEMENTS

12.1 The Employee confirms that he has kept and agrees to keep the existence and terms of this agreement and the circumstances concerning the termination of the Employee’s employment confidential, save where such disclosure is to HM Revenue & Customs, required by law or (where necessary or appropriate and provided that the Employee procures that each such individual keeps confidence in the same terms) to the Employee’s spouse, civil partner or partner, immediate family or legal or professional advisers.

12.2 The Company may also disclose the existence and terms of this Agreement to the Company’s officers, employees or legal or professional advisers, provided that they agree to keep the information confidential.

12.3 The Employee shall not make any adverse or derogatory comment about the Company, its directors or employees. The Employee shall not do anything which shall, or may, bring the Company, its directors or employees into disrepute.

12.4 Nothing in this clause 12 shall prevent the Employee from making a protected disclosure under section 43B of the Employment Rights Act 1996 and nothing in this clause 12 shall prevent the Company from making such disclosure as it is required by law to make.

12.5 The Employee acknowledges that, as a result of his employment, he has had access to Confidential Information. Without prejudice to his common law duties, the Employee shall not (except as authorised or required by law or as authorised by the Company) at any time after the Termination Date:

(a) use any Confidential Information; or

(b) make or use any Copies; or

(c) disclose any Confidential Information to any person, company or other organisation whatsoever.

The restrictions in clause 12.5 do not apply to any Confidential Information which is in or comes into the public domain other than through the Employee’s unauthorised disclosure.

13. ENTIRE AGREEMENT AND PREVIOUS CONTRACTS

13.1 Each party on behalf of itself (and, in the case of the Company, as agent for any Group Companies acknowledges and agrees with the other party (the Company acting on behalf of itself and as agent for each Group Company) that:

(a) this agreement constitutes the entire agreement and understanding between the Employee and the Company and any Group Company and supersedes any previous arrangement, understanding or agreement (whether in writing or not) between them relating to his employment by the Company;

(b) in entering into this agreement neither party has relied on any statement, representation, assurance or warranty of any person (whether party to this agreement or not and whether in writing or not) other than as expressly set out in this agreement; and

(c) the only rights or remedies available to the parties arising out of any statement, representation, assurance or warranty shall be for breach of contract under the terms of this agreement.

13.2 Nothing in this agreement shall, however, operate to limit or exclude any liability for fraud.

14. THIRD PARTY RIGHTS

The Contracts (Rights of Third Parties) Act 1999 shall only apply to this agreement in relation to any Group Company and no person other than the Employee and the Company or any Group Company shall have any rights under it. The terms of this agreement may be varied, amended or modified or this agreement may be suspended, cancelled or terminated by agreement in writing between the parties or this agreement may be rescinded (in each case), without the consent of any third party.

15. GOVERNING LAW AND JURISDICTION

15.1 This agreement shall be governed by and construed in accordance with the law of England and Wales.

15.2 Each party irrevocably agrees to submit to the exclusive jurisdiction of the courts of England and Wales over any claim or matter arising under or in connection with this agreement.

16. SUBJECT TO CONTRACT AND WITHOUT PREJUDICE

This agreement shall be deemed to be without prejudice and subject to contract until such time as it is signed and dated by both parties, when it shall be treated as an open document evidencing a binding agreement.

17. COUNTERPARTS

This agreement may be executed in any number of counterparts, each of which, when executed, shall be an original, and all the counterparts together shall constitute one and the same instrument.

This agreement has been entered into on the date stated at the beginning of it.
Schedule 1 Reference

Whilst it is not the policy of the Company to provide detailed references, I can confirm that **[Name]** was employed by **[Employer]** from **[Date]** until **[Date]**.

During his time with the Company, he held the a number of positions the most recent being Regional Director

Yours faithfully

HR Administration

Schedule 2: Claims

Claims:

(a) for breach of contract or wrongful dismissal;

(b) for unfair dismissal and related claims, under sections 94 and 111 of the Employment Rights Act 1996;

(c) for a statutory redundancy payment, under section 163 of the Employment Rights Act 1996;

(d) in relation to an unauthorised deduction from wages or unauthorised payment, under section 23 of the Employment Rights Act 1996;

(e) for an unlawful detriment under section 48 of the Employment Rights Act 1996;

(f) in relation to employment particulars and itemised pay statements, under section 11 of the Employment Rights Act 1996;

(g) in relation to guarantee payments, under section 34 of the Employment Rights Act 1996;

(h) in relation to suspension from work, under section 70 of the Employment Rights Act 1996;

(i) in relation to parental rights and flexible working, under sections 80 and 80H of the Employment Rights Act 1996;

(j) in relation to time off work, under sections 51, 54, 57, 57B, 60, 63 and 63C of the Employment Rights Act 1996;

(k) in relation to working time or holiday pay, under regulation 30 of the Working Time Regulations 1998;

(l) in relation to the national minimum wage, under sections 11, 18, 19D and 24 of the National Minimum Wage Act 1998;

(m) for equality of terms, under Part 5 and sections 120 and 127 of the Equality Act 2010 and section 2 of the Equal Pay Act 1970;

(n) for direct or indirect discrimination, harassment or victimisation on the grounds of sex, marital or civil partnership status, gender reassignment, pregnancy or maternity, under Part 5 and sections 108, 111, 112 and 120 of the Equality Act 2010 and Part II and section 63 of the Sex Discrimination Act 1975;

(o) for direct or indirect discrimination, harassment or victimisation on the grounds of colour, race, nationality or ethnic or national origin, under Part 5 and sections 108, 111, 112 and 120 of the Equality Act 2010 and Part II section 54 of the Race Relations Act 1976;

(p) for direct, indirect or disability related discrimination, failure to make reasonable adjustments, harassment or victimisation related to disability, under Part 5 and sections 108, 111, 112 and 120 of the Equality Act 2010 and Part II and section 17A of the Disability Discrimination Act 1995;

(q) for breach of obligations under the Protection of Harassment Act 1997;

(r) for less favourable treatment on the grounds of part-time status, under Part II and regulation 8 of the Part-Time Workers (Prevention of Less Favourable Treatment) Regulations 2000;

(s) for less favourable treatment on the grounds of fixed-term status, under Part 2 and regulation 7 of the Fixed-Term Employees (Prevention of Less Favourable Treatment) Regulations 2002;

(t) for direct or indirect discrimination, harassment or victimisation on the grounds of religion or belief, under Part 5 and sections 108, 111, 112 and 120 of the Equality Act 2010 and Part II regulation 28 of the Employment Equality (Religion or Belief) Regulations 2003;

(u) for direct or indirect discrimination, harassment or victimisation on the grounds of sexual orientation, under Part 5 and sections 108, 111, 112 and 120 of the Equality Act 2010 Part II and regulation 28 of the Employment Equality (Sexual Orientation) Regulations 2003;

(v) for direct or indirect discrimination, harassment or victimisation on the grounds of age, under Part 5 and sections 108, 111, 112 and 120 of the Equality Act 2010 and Part 2 and regulation 36 of the Employment Equality (Age) Regulations 2006;

(w) in relation to the duty to consider working beyond retirement, under paragraphs 11 and 12 of Schedule 6 to the Employment Equality (Age) Regulations 2006;

(x) under regulations 27 and 32 of the Transnational Information and Consultation etc. Regulations 1999;

(y) under regulations 29 and 33 of the Information and Consultation of Employees Regulations 2004;

(z) under regulations 45 and 51 of the Companies (Cross-Border Mergers) Regulations 2007;

(aa) under paragraphs 4 and 8 of the Schedule to the Occupational and Personal Pension Schemes (Consultation by Employers and Miscellaneous Amendment) Regulations 2006;

(bb) under sections 68A, 87, 137, 145A, 145B, 146, 168, 168A, 169, 170, 174 and 192 of the Trade Union and Labour Relations (Consolidation) Act 1992;

(cc) in relation to the obligations to elect appropriate representatives or any entitlement to compensation, under the Transfer of Undertakings (Protection of Employment) Regulations 2006;

(dd) for failure to comply with obligations under the Human Rights Act 1998;

(ee) for failure to comply with obligations under the Data Protection Act 1998;

(ff) in relation to the right to be accompanied under section 11 of the Employment Relations Act 1999;

(gg) in relation to refusal of employment, refusal of employment agency services and detriment under regulations 5, 6 and 9 of the Employment Relations Act 1999 (Blacklists) Regulations 2010;

(hh) in relation to the right to request time off for study or training under section 631 of the Employment Rights Act 1996; and

(ii) arising as a consequence of the United Kingdom’s membership of the European Union.

Schedule 3: Adviser’s certificate

I hereby certify that:

1. I am a solicitor of the Senior Courts of England and Wales holding a current practising certificate.

2. I have advised the Employee to which this agreement relates on the terms and effect of the Agreement to which this certificate is attached and in particular its effect on his ability to pursue his rights in respect of the proceedings referred to in the Agreement following his acceptance of the terms of the Agreement.

3. There was in force at the time that I gave the advice referred to above a policy of insurance covering the risk of a claim by my client in respect of loss arising in consequence of that advice.

4. I am not acting and have not acted in relation to this matter for the Company or any Group Company and am a relevant independent adviser at the time or times the advice in 2 above was given for the purposes of the legislation referred to in the Agreement to which this certificate is attached.

Signature of Adviser …………………………

Adviser’s Name in Print …………………………

Name of Firm …………………………

Address of Firm …………………………

…………………………

…………………………

…………………………

Date …………………………

Schedule 4 Letter of Resignation

The Board of Directors

**[Employer]**

**[Date]**

I hereby resign from office as Director [and Secretary] of **[Company name]** Limited/plc, such resignation to take effect immediately.

I confirm that I have no claims against the company arising from or connected with the above officeholding or the termination thereof.

Yours faithfully

**[Name]**

Schedule 5 – share options to be granted to the Employee, subject to the PSP:-

Shares

Issue / grant date Quantity Cost Type Maturity date

Schedule 6 – share options to be granted to the Employee, subject to the PSP:-

Shares

Issue / grant date Quantity Cost Type Maturity date

Signed by \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ for and on behalf of **[Company]** PLC

………………………………

Signed by **[Employee]**

………………………………