

TERMS AND CONDITIONS OF LOIMU'S LEGAL EXPENSES INSURANCE

Valid as of 1 January 2023

Unofficial translation - In case of discrepancies between the Finnish and the English text, the Finnish text shall prevail.

1 Definitions

1.1 In these terms and conditions, member means the ordinary paying members and student members of the Union of Professionals in Natural, Environmental and Forestry Sciences Loimu (Loimu).

1.2 For the purposes of these terms and conditions, legal expenses insurance means compensation offered by Loimu to its members for legal expenses related to employment in the private or public sector, as referred to in these terms and conditions.

1.3 The point in time at which a dispute arises is the point in time at which the employer contested the member's claim in terms of its basis or amount, or the member contested the claim of the employer in terms of its basis or amount.

2 Scope of legal expenses insurance

2.1 The legal expenses insurance policy covers Loimu's members who are employed by another party in the private or public sector. The legal expenses insurance policy also covers grant researchers in matters related to research work.

2.2 Legal expenses insurance is only available regarding matters dealt with in Finland.

2.3 A managing director is insured as an employee, however, this is not the case if the voting rights of the shares owned by the managing director alone or together with family members living in the same household with the managing director exceed 50% of the voting rights in the company. A member acting as the full-time chair of a company's board of directors is not entitled to legal expenses insurance in the role of the chair.

2.4 The legal expenses insurance policy covers the necessary and reasonable legal and litigation expenses incurred by the member as a result of the use of legal assistance in a civil case or an administrative matter.

2.5 A member may utilise the policy in matters that may be submitted directly to the district court, as well as in administrative matters referred to in clause 7.5 of these terms and conditions and in arbitration proceedings.

2.6 The legal expenses insurance policy does not compensate for expenses in cases that are heard in administrative authorities other than those referred to in clause 7.5 of these terms and conditions or in special courts. Furthermore, the policy does not compensate for

expenses in cases that are heard in the European Court of Human Rights, the Court of Justice of the European Union or the General Court of the European Union.

2.7 The legal expenses insurance policy also covers matters dealt with on the basis of the Act on Equality between Women and Men and the Non-Discrimination Act, provided that Loimu deems it necessary in view of the nature of the matter.

2.8 The policy may also be deemed to cover disputes heard in the Labour Court, provided that Loimu deems it necessary in view of the nature of the matter.

2.9 The legal expenses insurance policy may also be deemed to cover criminal cases related to employment in the private or public sector, provided that Loimu deems it necessary in view of the nature of the matter.

2.10 The policy may also be deemed to cover Loimu's members who are independent self-employed persons and entrepreneurs having no employees in situations that are the result of disputes concerning assignments, provided that Loimu deems it necessary in view of the nature of the matter.

2.11 The policy may also be deemed to cover any matters related to applying for office, provided that Loimu deems it necessary in view of the nature of the matter.

3 General limitations applied to the legal expenses cover

3.1 The legal expenses insurance policy does not compensate for expenses incurred by a member in matters

- 1) relating to the member's holding in a company or membership of administrative bodies of a company;
- 2) that concern objecting to penalty demands in court;
- 3) concerning claims for damages or other claims against the member in a criminal case;
- 4) concerning bankruptcy proceedings, enforcement, enforcement disputes referred to in the Enforcement Code or implementation related to enforcement.

3.2 If the case substantially concerns a matter other than the member's own interests, or if the member represents a common interest with persons other than those covered by this legal expenses insurance policy, the policy only reimburses the part of the expenses that is considered to be the member's share.

3.3 The policy does not cover criminal cases related to employment in the private or public sector, unless Loimu deems it necessary in view of the nature of the matter.

4. Membership requirement

4.1 Members who have been a member of Loimu for at least six (6) months and who had no unpaid membership fees at the point in time when the dispute arose are entitled to use the legal expenses insurance policy.

4.2 The six-month membership requirement set out in clause 4.1 does not apply if the member joins Loimu directly from another trade union and has been a member of another trade union for at least 6 months.

4.3 If the member's membership has been in force for less than two (2) years at the time when the dispute arises, the circumstances that led to the dispute must also have arisen during the validity period of the policy.

4.4 If a member resigns from Loimu for a period of more than six (6) months, the member loses the legal expenses insurance amount that was accrued on the basis of the duration of the membership in accordance with clause 6.3. In this case, membership is deemed to have started when the member re-joined Loimu after a non-membership period that lasted for more than six (6) months.

5 Attorney

5.1 The person dealing with the member's case must be a Loimu-approved attorney-at-law specialised in labour law or a licensed legal counsel.

5.2 The member agrees that Loimu has the right to obtain upon request information on the member's case and the measures taken regarding it.

6 Legal expenses insurance amount

6.1 The amount of compensation and deductibles applied to the member under the legal expenses insurance policy are determined in accordance with the table in clause 6.3 of these terms and conditions. Full legal expenses insurance cover may be granted only if the following criteria are met: 1) Loimu's advocacy unit is in favour of legal action being taken; and 2) Loimu's legal counsel or other legal expert has discussed the case with the employer or responded to a claim presented by the employer.

6.2 If the membership requirement is met, but one of the criteria referred to in clause 6.1 is not met, the maximum legal expenses insurance amount for the member is EUR 10,000 and the deductible is 30 per cent, but not less than EUR 300.

6.3 For members who joined on or after 1 January 2023, the member's legal expenses insurance amount and deductible are determined as follows:

Duration of membership	Legal expenses insurance amount	Deductible	Deductible in euros
0–1 year	EUR 10,000.00	30.0%	EUR 3,000.00

1 year	EUR 15,000.00	20.0%	EUR 3,000.00
2 years	EUR 20,000.00	15.0%	EUR 3,000.00
3 years	EUR 20,500.00	14.5%	EUR 2,972.50
4 years	EUR 21,000.00	14.0%	EUR 2,940.00
5 years	EUR 21,500.00	13.5%	EUR 2,902.50
6 years	EUR 22,000.00	13.0%	EUR 2,860.00
7 years	EUR 22,500.00	12.5%	EUR 2,812.50
8 years	EUR 23,000.00	12.0%	EUR 2,760.00
9 years	EUR 23,500.00	11.5%	EUR 2,702.50
10 years	EUR 24,000.00	11.0%	EUR 2,640.00
11 years	EUR 25,000.00	10.0%	EUR 2,500.00
12 years	EUR 26,000.00	9.0%	EUR 2,340.00
13 years	EUR 27,000.00	8.0%	EUR 2,160.00
14 years	EUR 28,000.00	7.0%	EUR 1,960.00
15 years	EUR 29,000.00	6.0%	EUR 1,740.00
16 years	EUR 30,000.00	5.0%	EUR 1,500.00
17 years	EUR 31,000.00	4.0%	EUR 1,240.00
18 years	EUR 32,000.00	3.0%	EUR 960.00

19 years	EUR 33,000.00	2.0%	EUR 660.00
20 years	EUR 34,000.00	1.0%	EUR 340.00
21+ years	EUR 35,000.00	0.0%	EUR 0.00

For members who joined before 1 January 2023, the legal expenses insurance amount is no less than EUR 17,000, with the deductible being no more than 15%, but not less than EUR 250.

6.4 For disputes arising before 1 January 2023, legal expenses insurance covers expenses in accordance with the terms of the insurance policy that was in force until 31 December 2022.

7 Reimbursed expenses

7.1 The maximum amount of reimbursement under the legal expenses insurance policy is set out in clause 6.3. The legal and litigation expenses reimbursed by legal expenses insurance are determined in accordance with the provisions concerning legal costs in the Code of Judicial Procedure.

7.2 If a court has not ruled on legal and litigation expenses, or if the expenses were agreed upon or the case was resolved by confession, the reimbursed expenses are determined while also taking into account the costs normally imposed or paid in similar cases. However, the amount of the expenses to be reimbursed may not exceed the amount that the court ordered the member to pay, unless the court expressly decided, on the grounds set out in its decision, that the member must bear its costs or a part thereof as the member's loss.

7.3 Reasonable reimbursement is paid for the work and necessary expenses of the attorney. When assessing the reasonableness of the remuneration and expenses, the value of the benefit under dispute, the difficulty and scope of the case, as well as the quantity and quality of the attorney's work are taken into account. However, the amount of the costs to be reimbursed may not exceed the amount of the cost claim submitted by the member to the opposing party. The attorney's travel expenses are not reimbursed.

7.4 The necessary and reasonable legal and litigation expenses incurred by the member as a result of a civil case or an administrative matter are reimbursed from legal expenses insurance as follows:

1) Civil cases

a) Expenses incurred by the member as a result of the use of an attorney and the taking of evidence.

(b) If the submitting of the dispute to a court requires that a legal act is taken or that a decision is taken by a body or through specific proceedings, the costs are compensated as of the time when the case may be submitted to the district court.

c) If the case underwent court mediation, legal expenses insurance also compensates for the member's share of any fee and expenses of the mediator's assistant, calculated in accordance with the headcount of the parties to the dispute.

2) Arbitration

Legal expenses incurred by the member as a result of the use of an attorney and the taking of evidence. However, the arbitrators' fees and expenses are not reimbursed.

3) Administrative procedure or administrative judicial procedure

Expenses incurred by a member from the use of an attorney in a matter directly concerning the member's own employment in the public sector to the extent that the matter is heard in the Administrative Court or the Supreme Administrative Court. In a matter directly concerning a member's own employment in the public sector, which is heard in municipal or other similar committee, the member is compensated for expenses incurred by the member as a result of the use of an attorney as of the time when a body decided on the position of the member and the member received instructions for appeal in relation to this. However, the expenses incurred from submitting a complaint or the handling of a tax-related matter are not reimbursed from legal expenses insurance.

4) Appeals to the Supreme Court or the Supreme Administrative Court

(a) If an appeal to the Supreme Court or the Supreme Administrative Court requires leave to appeal, the costs incurred from the appeal are reimbursed from legal expenses insurance only if leave was granted. This also applies to cases in which the Supreme Court or the Supreme Administrative Court is the first instance of appeal.

(b) Costs incurred as a result of exercising extraordinary remedies are compensated only if the Supreme Court or the Supreme Administrative Court approved the complaint or annulment of a judgment or re-establishment of rights regarding a time limit.

7.5 The opposing party's legal expenses that the member was ordered to pay pursuant to a final court decision are reimbursed from legal expenses insurance under the same conditions as those applied to the member's own legal expenses. The opposing party's expenses that were agreed to be paid are not reimbursed. However, the total legal expenses insurance amount may not exceed the maximum compensation specified in clause 6.3.

7.6 Appropriate and reasonable expenses are reimbursed from legal expenses insurance.

7.7 If the case is going to be settled as a result of settlement negotiations before a court hearing, Loimu's consent to the settlement must be obtained. Reimbursement of any legal expenses payable by the member is decided on a case-by-case basis.

8 Costs not covered by legal expenses insurance

8.1 The legal expenses insurance policy does not cover

- 1) Costs arising from measures taken prior to the point in time when the dispute arose, any preliminary investigation of the matter, or any investigation or handling of the dispute as a result of which the member, even with good reason, waives the member's claims against the other party;
- 2) Costs arising from the enforcement of a judgment or decision or costs arising from precautionary measures. However, the costs of applying for a precautionary measure are reimbursed if the precautionary measure relates to legal proceedings that are pending when the application is filed and when it is processed in the same court as the principal claim and compensation for the legal expenses related to the legal proceedings for the principal claim is paid from the policy. Any costs incurred as a result of the execution of the precautionary measure are, nevertheless, not reimbursed;
- 3) The member's loss of time, own work or expenses arising therefrom, loss of income or earnings, or travel or subsistence expenses. Furthermore, no reimbursement is paid for any additional costs incurred as a result of replacing the attorney or as a result of the member's own conduct;
- 4) Costs arising from obtaining the opinion of a legal expert; and
- 5) Fees and expenses of arbitrators and mediators.

9 Applying for legal expenses cover

9.1 An application for legal expenses cover may be submitted in the case of a contested claim. A claim is deemed to be contested when the basis or amount of the specified claim presented in relation to the case is specifically contested.

9.2 An application must be submitted to Loimu for the use of legal expenses insurance before any legal expenses are incurred related to the case. Loimu reviews the case and provides the member with a decision concerning legal expenses cover.

9.3 A case is deemed to be one (1) insured occurrence when two (2) or more members covered by this legal expenses insurance policy are on the same side of a dispute or administrative matter, or the member has several disputes or administrative matters arising from the same event, circumstance, legal act or infringement, or in the case of the same or similar claim having a different cause of action.

10 Compensation method

10.1 Loimu pays compensation for the legal and litigation expenses imposed on a member after a final court decision is given or a settlement reached.

10.2 If the member recovered the legal expenses, or if they were paid by the other party to the member or if they were otherwise credited to the member, the member must refund them to Loimu with interest to the extent that they must be credited to Loimu in accordance with these terms and conditions.

10.3 If the opposing party was ordered to compensate, or undertook to compensate, the member for legal expenses, the member is obligated to transfer the member's right to compensation for expenses to Loimu up to the amount of the compensation paid by Loimu.

10.4 If the member was obligated to pay part of the costs because the costs exceed the maximum compensation under these terms and conditions, the reimbursement received from the other party will be divided between Loimu and the member in proportion to their respective shares of the costs paid.

10.5 During a period of two calendar years, a member may use the legal expenses insurance policy up to a total amount not exceeding the individual maximum compensation amount specified for the member in clause 6.3. The maximum amount of compensation is determined based on the duration of the member's membership at the time when the member first applied for legal expenses cover.

11 Deductions

11.1 A deductible specified in these terms and conditions will be deducted from the amount of reimbursed expenses.

11.2 Any reimbursement of expenses that the member's opposing party was ordered to pay to the member, or that the opposing party undertook to pay to the member, will be deducted from the amount of reimbursed expenses if it was recovered from the party liable for payment.

11.3 In legal proceedings and settlement negotiations, the member must demand that the other party compensate for the member's legal and litigation expenses. If the member, without a reasonable cause, fails to demand from the other party the member's expenses, the reimbursement paid from legal expenses insurance may be reduced or refused.

11.4 The legal expenses insurance policy does not cover

- (1) Costs related to facts or evidence which the court does not take into account due to them being presented too late;
- (2) Costs incurred by the member or the member's attorney as a result of not appearing before the court or failing to comply with orders given by the court, or as a result of making a claim that they knew or should have known was unfounded, or otherwise as a result of a delay in the legal proceedings that they caused intentionally or through negligence;
- (3) Costs of legal proceedings initiated by the member or the member's attorney without a cause attributable to the other party, or costs of unnecessary legal proceedings otherwise caused, intentionally or through negligence, by the member or the member's attorney;
- (4) Costs of legal proceedings in which the member's claim was dismissed or rejected as premature or due to it having no basis in law, or due to being statute-barred, except where the dispute concerns a limitation period.

11.5 The member has no right to agree on the amount of costs incurred as a result of its case in a manner that is binding on Loimu. Any reimbursement paid by a member to the member's attorney for the attorney's fee and expenses is not binding on Loimu when

assessing the reasonableness of legal expenses, but the attorney's invoice must be sent to Loimu for the determination of compensation.

11.6 The deductible and other deductions are deducted from the amount of expenses as successive calculations in the following order:

- 1) deductible
- 2) other deductions.

12 Right to obtain information

Loimu has the right to be informed of the filing of a claim and the progress of the civil case or administrative matter. In addition, Loimu has the right to obtain the court decision or settlement agreement.

13 Complaints

13.1 The decision concerning the granting of legal expenses cover is made by Loimu's unit responsible for advocacy. Members may appeal to Loimu's Working Committee concerning decisions related to granting coverage of legal expenses.

13.2 The decisions that Loimu's Working Committee makes concerning the coverage of legal expenses may not be appealed.

14 Transition stipulations

For members who joined before 1 January 2023, the legal expenses insurance amount is no less than EUR 17,000, with the deductible being no more than 15 per cent, but not less than EUR 250.

Regarding members who joined before 1 January 2023, if one of the criteria referred to in clause 6.1 is not met, the maximum legal expenses insurance amount for the member is EUR 10,000 and the deductible is 30%, but not less than EUR 300.

15 Amendments to the terms and conditions

Loimu reserves the right to amend these terms and conditions of legal expenses insurance. If the terms and conditions of legal expenses insurance are amended, the new terms and conditions apply from the date when the members were notified of the change in the terms and conditions.