**Model**

**Settlement**

**Agreement**

2020 Edition

**CEDR Model Settlement Agreement**

**2020 Edition**

Date ....................................................................................................................................................................................

**Parties**

.......................................................................................................................................................................(Party A)

Address[[1]](#footnote-2)......................................................................................................................................................................

.......................................................................................................................................................................(Party B)

Address[[2]](#footnote-3)......................................................................................................................................................................

..............................................................................................................................................................(Party C, etc)[[3]](#footnote-4)

(jointly ‘**the Parties’**)

**Background**

* The Parties have been in a dispute in relation to [set out brief details] (‘the Dispute’)[[4]](#footnote-5) [which is being litigated/arbitrated [court/arbitration reference] (‘the Action’)][[5]](#footnote-6)
* The Dispute has been the subject of a CEDR mediation (‘the Mediation’) conducted under an agreement (‘the Mediation Agreement’) between the Parties and [………………..…...] (‘the Mediator’) and CEDR;
* The Parties have agreed to settle the Dispute on the terms set out below (‘the Settlement Agreement’);
* [see footnote 4 and set out any key facts or representations]

**Terms of the Settlement Agreement**

It is agreed as follows:

1. [A will deliver .......... to B at .......... by not later than 4 o’clock on 25 December .....][[6]](#footnote-7)
2. [B will pay £ .......... to A by not later than 4 o’clock on 25 December ..... by direct bank transfer to .......... bank sort code .......... account number ..........]
3. [*Any other terms*] .........................................................................................
   1. The Action will be stayed and the parties will consent to an order in the terms of the attached Order [*see attached form of Tomlin order[[7]](#footnote-8)*].
   2. **OR** [A/B] will discontinue the Action on [B/A]’s undertaking not to claim [B/A]’s costs of the Action against [A/B].
   3. **OR** Judgment will be entered for [A/B] on their [counter] claim with an order that [B/A] pay [A/B]’s costs on the standard/indemnity basis subject to detailed assessment if not agreed.
   4. **OR** The Action will be dismissed with no order as to costs.
4. This Agreement is in full and final settlement of any causes of action whatsoever which the Parties [and any subsidiaries .......... of the Parties] have against each other [*it is important that such a clause is only included after a careful check has been made as to whether there are any other possible outstanding causes of action between the Parties which can safely be compromised (or ought not to be compromised) in this way*].
5. This agreement supersedes all previous agreements between the parties [in respect of all matters relevant to the Dispute] except for those terms of the Mediation Agreement of continuing effect including the confidentiality of the mediation process, the Parties’ undertaking not to call the mediator or CEDR to give evidence and the liability of the Mediator and CEDR.[[8]](#footnote-9)
6. If any dispute arises out of this Agreement, the Parties will attempt to settle it by mediation[[9]](#footnote-10) before resorting to any other means of dispute resolution. To initiate any such mediation a Party must give notice in writing to the Mediator and to CEDR. Insofar as possible the terms of the Mediation Agreement will apply to any such further mediation. If no legally binding settlement of such a dispute is reached within [28] days from the date of the notice to the Mediator and to CEDR, either party may [institute court proceedings/refer the dispute to arbitration under the rules of .....].
7. The Parties will keep confidential and not use for any collateral or ulterior purpose the terms of this Agreement except insofar as is necessary to implement and enforce any of its terms or as otherwise agreed in writing by the Parties.
8. This Agreement shall be governed by, construed and take effect in accordance with [English] law. The courts of [England] shall have exclusive jurisdiction to decide any claim, dispute or matter of difference which may arise out of, or in connection with this agreement.[[10]](#footnote-11)

**Signed**

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for and on behalf of[[11]](#footnote-12).................................................................................................................................................

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for and on behalf of [[12]](#footnote-13)...............................................................................................................................................

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This Model Agreement (and accompanying consent order) is for guidance only. Any agreement based on it will need to be adapted to the particular circumstances and legal requirements of the settlement to which it relates. Wherever possible any such agreement should be drafted/approved by each party’s lawyer. Although the mediator may occasionally be involved in helping the parties to draft acceptable terms, the mediator is not responsible for the drafting of the agreement and should never be a party to it. [See also the provisions of the mediation agreement which, if it is based on the CEDR Model Mediation Agreement, will deal with mediator liability, confidentiality etc. and may not need to be repeated in this agreement, unless the scope of confidentiality is either extended or defined by agreement between the Parties to allow for non-parties with a proper interest in the outcome to be informed, or an agreed Press release to be issued.]

1. Not strictly necessary [↑](#footnote-ref-2)
2. Not strictly necessary [↑](#footnote-ref-3)
3. Note that the mediator should not be a party or even a witness to the settlement agreement, even though properly a party to the mediation agreement [↑](#footnote-ref-4)
4. While it is not essential for the factual background to be recited, any facts and representations the truth of which form the crucial foundation for the terms of settlement should be set out here to eliminate or at least minimise any later allegations of misrepresentation [↑](#footnote-ref-5)
5. Omit this wording and paragraph 4 if there are no court or arbitration proceedings [↑](#footnote-ref-6)
6. Be as specific as possible, for example, how, by when, etc. [↑](#footnote-ref-7)
7. This is the commonest method of implementing a settlement where proceedings already exist: where there are no proceedings, the settlement agreement stands as an actionable contract where all parties intend that it should be legally enforceable: if a cross-border dispute, and all parties agree, application can be made to the Court for a mediation settlement enforcement order [↑](#footnote-ref-8)
8. Only necessary if there have been previous agreements [↑](#footnote-ref-9)
9. Alternatively, negotiation at Chief Executive level, followed by mediation if negotiations do not result in settlement within a specified time [↑](#footnote-ref-10)
10. Usually not necessary where parties are located in same country and subject matter of agreement relates to one country [↑](#footnote-ref-11)
11. Not necessary where the party signing is an individual [↑](#footnote-ref-12)
12. Not necessary where the party signing is an individual [↑](#footnote-ref-13)