

Terms of Business

Our terms of business are set out below. Please read them carefully, and ask us if there is anything in them which you do not understand. These terms will apply to all future instructions. We may take your continuing instructions in any matter as your acceptance of them.

Scope of Work

The scope of work will be as set out in the relevant engagement letter sent to you by us ("Engagement Letter") or (in the absence of an applicable Engagement Letter) as we may otherwise have agreed with you.

Unless we expressly agree otherwise in an Engagement Letter, our responsibilities do not include tax advice of any kind, nor do they include monitoring or reminding you of warranty periods or other notice periods. Unless we expressly agree in writing otherwise, we shall not advise, or be under any duty to advise you on the commercial implications of any matter or transaction with which you are involved.

The terms of the Engagement Letter override these terms of business to the extent of any inconsistency. No third party has the right under the Contracts (rights of Third Parties) Act 1999 to enforce any term of the Engagement Letter or these terms of business.

Personnel

The following categories of lawyer may be used to carry out your work:

- Partner
- Consultant
- Assistant solicitor
- Legal Executive
- Licensed Conveyancer
- Trainee solicitor
- Paralegal



It is the firm of Forsters LLP as a whole ("the Firm"), rather than any individual lawyer, that has responsibility for providing services to you. We aim to avoid changing the people who are handling your work but if this cannot be avoided we will try to notify you of any change as soon as possible.

Your responsibilities

We rely on you to promptly provide us with accurate and complete information to carry out your instructions and to let us know of any significant changes to your circumstances. You should also provide us with any required documents and answer our questions or requests as fully and promptly as possible.

We rely on you to provide us with the name of any party with a significant interest in the matter(s) on which you instruct us. We will complete a conflict search on the names you provide to determine whether any conflict exists which may impact our ability to act for you.

Money Laundering

All solicitors must comply with the provisions of the Money Laundering Regulations 2007 and the Proceeds of Crime Act 2002. The Firm operates appropriate procedures to combat money laundering and terrorist financing and is required to establish the identity of all its clients and any ultimate beneficial ownership and control structure where appropriate. This will involve requesting evidence of your identity and proof of address. We reserve the right to request additional information or evidence from you or associated parties at any time while carrying out your instructions and may cease to continue work until such requirements are met. If you are not able to provide us with adequate evidence we will not be able to act or continue to act for you. We do not accept responsibility for any delays or loss suffered as a result of you failing to provide adequate evidence as requested.

When verifying your identity we may carry out identity checks on databases kept by other organisations. By giving us personal information and accepting these terms, you agree to us using that information for this purpose.

Where we receive funds as part of your instructions we are required to ascertain the source of those funds. You may be required to give an explanation or provide supporting documentation relating to the funds. If any part of the funds is received from a third party then we will need to ask the third party to provide the same evidence.

In certain circumstances, the Firm may be required to disclose otherwise confidential information about your affairs, without telling you, to the National Crime Agency. Our duty to report may override any duty of confidentiality that we owe to you and legal professional privilege may not apply in these circumstances.

By instructing the Firm, you expressly consent to our complying with our statutory obligations in relation to the prevention and detection of money laundering.



Charges

Our charges for professional services consist of our legal and other fees, reimbursable expenses (sometimes known as "disbursements") and (where applicable) Value Added Tax ("VAT").

Unless otherwise agreed our charges are calculated on the basis of hourly rates, applied to the time spent by lawyers working on the matter. This will include drafting documents, advising, reporting, dealing with correspondence, telephone calls, preparing for and attending meetings and notes of those meetings, drafting instructions to Counsel, reading papers, researching the law, attending Court and travelling. The rates depend on the seniority and specialised knowledge of the lawyers concerned. Details of the rates will either be included in the Engagement Letter or provided on request. Rates for individual lawyers normally increase annually.

The hourly rates cover most of our overheads (including routine secretarial services, postage, and voice telephone within the UK). In addition to fees for legal work, we also charge fees for certain support services, including photocopying and printing (unless contracted out), fax, and international telephone services. Unless otherwise agreed these fees are charged at our standard rates from time to time, details of which are available on request.

For some types of work (typically some property transactions where the time which will be spent can be predicted with some accuracy) we may agree a fixed fee at the outset for the legal element of our charges.

Where we are not able to agree a fixed fee, we will endeavour to provide you with the best information possible on the question of costs. We will provide:

- a realistic estimate; or
- give a forecast within a possible range of costs; or
- explain to you the reasons why it is not possible to fix, or give a realistic estimate or forecast of, the overall fees and expenses, and give instead the best information possible about the cost of the next stage of the matter.

If you wish, you may set an upper limit on our unbilled fees for which you may be liable without further authority. We would then not exceed such an agreed limit without first obtaining your consent.

An estimate, quotation or other indication of fees is not intended to be fixed unless otherwise agreed in writing.

In litigation, when acting for overseas clients, and in and some other matters, we usually seek a payment on account of our charges from clients before commencing work and, if necessary, at intervals during the course of the matter. This money will be paid into our Client Account, and will not be withdrawn until we deliver a bill to you, or we incur disbursements on your behalf, when it



will be applied in settlement. Requests for such payments do not constitute an agreed fee or estimate, but merely a payment on account of costs.

Disbursements

Our bills will include reimbursement of payments made to third parties on your behalf or for your benefit. The expenses incurred will depend upon the type of work we are carrying out for you. They may include Counsel's fees, expert's fees, court fees, Land Registry fees, Local Authority and Companies House search fees, Lexis search fees, translation and transcription fees and contracted out photocopying. We will try to obtain your prior approval before incurring liability for substantial expenses but this may not always be practicable. We reserve the right to ask you to put us in funds before we incur any reimbursable expense or series of expenses exceeding £250.00 in total.

Value Added Tax

We will add VAT to our charge and to certain disbursements at the rate that applies when the work is done. At the date of these terms and conditions, VAT is charged at the current rate.

Forsters LLP VAT number is 125 4258 28

If you are based outside the UK but within the EU, please provide us with your VAT registration number so that we can include it in our invoices. Depending on the nature of your instructions we may be able to submit your bills free of VAT.

Billing

We will usually send you an interim bill for our charges and expenses at the end of each month/quarter as appropriate whilst the work is in progress. These will be bills on account, not final bills. We will send you a final bill after completion of the work.

In relation to property transactions and certain other transactions, it is more usual to send you a bill for our charges and expenses after exchange of contracts and / or immediately before completion. Payment of the bill is due after completion unless earlier staged payments have been agreed. If sufficient funds are available on completion and we have sent you a bill we will usually deduct our charges from the funds.

In other cases payment is due to us upon your receipt of the bill, or on such other date as we may have agreed.

If you do not pay any bill by the due date, we reserve the right to charge interest on it (payable on demand) at a rate equivalent to the interest on judgment debts on a daily basis from the date of your receipt of the bill, until the receipt of all monies owed. If you have a query about the bill you should immediately contact the partner handling the matter or the firm's head of finance, who at the date of these terms and conditions is Douglas van Zijl.



If you wish a third party to be responsible for paying our bills on your behalf, please inform us immediately of the name and contact details of that third party (and any other relevant details or identity documents reasonably required by us). You will remain primarily responsible for paying our bills and they will still be addressed to you but we will mark them as payable by your nominated third party. If the third party fails to pay any bills in accordance with these terms of business, we will be entitled to seek payment of the bill(s) directly from you.

If you are unhappy with the bill that you receive you have the right to complain to the Legal Ombudsman Service. Please see the Complaints section below.

Recovery of Legal Charges from Third Parties and Payment of Third Party Charges

Even if successful in litigation, you can only expect to recover a proportion of the charges you pay us from your opponent. In fact, your opponent may not be ordered to pay or may not be capable of paying the full amount of your costs. If your opponent is legally aided you may not recover costs, even if you are successful.

You will remain liable to pay our charges in full even though a court has ordered that they should be reimbursed by a third party.

In the event of unsuccessful litigation you should be aware that you will be responsible not only for your own costs but, in all probability, for those of your opponent.

In some non-contentious matters (primarily in property transactions) you may be liable for the payment of the costs of a third party. We will, where appropriate, obtain a firm figure for or agree a cap to a third party's costs.

You should also consider whether your liability for costs (both ours and those of another party) may be covered by another person or body, for e.g. an employer or trade union.

We may be instructed on a transaction by the shareholders or directors of a company which is to be formed or acquired off the shelf for the purposes of that transaction. If the transaction does not proceed, we shall be entitled to look to the shareholders or directors concerned for our charges.

Legal Expenses Insurance

In addition to policies specifically designed to provide this cover, some household insurance policies and motor insurance policies provide limited cover for legal expenses. You should check your insurance policy and inform us immediately if you believe that you may be covered. It is also vital that you notify your insurers promptly if you believe that you will be making a claim.

If insurance cover exists, you will be primarily liable to us for our charges, although we will assist you in obtaining reimbursement from your insurers.

You should also consider whether your liability for another party's costs may be covered by insurance.



Property Transactions

When acting for you as a purchaser in property matters and we are also acting for your proposed lender, we have a duty to reveal to your lender all relevant facts about the purchase, mortgage and any information we know which is relevant to the transaction.

Where completion of your purchase contract is imminent it is your responsibility to ensure we have received full completion monies in cleared funds at least the day prior to your scheduled completion date to avoid potential delays in the banking system. We accept no liability for any loss or damage incurred as a result of issues or delays.

Please note that, in accordance with the Money Laundering section above, if anti-money laundering checks remain outstanding we are unable to provide you with our client account details or to receive funds from you until such checks are completed.

Monies on Account

As part of the services we provide to you it may be necessary to hold money on account from time to time. The bank at which our client account is held is Messrs C Hoare & Co. You understand that in the event of any failure of C Hoare & Co, they will be liable to you for any money we hold on your behalf and that we accept no liability for any loss you incur.

All client monies are held in strict observance of the SRA Accounts Rules and in line with the firm's Interest Policy which is available on our website or on request.

With respect to client monies held for extended periods of time, such funds will be held in accordance with our Residual Balances Policy which is also available on our website. Please note that in order for us to account to you for these funds, it is your responsibility to update us on any change of address or contact details.

Unless you request otherwise in writing at the outset of this matter, where there is a residual balance of less than £50.00 we will consider your circumstances and best interests against the administration and costs of returning the funds to you and, where appropriate, forward the funds directly to a nominated charity and advise you of this once completed.

Financial Services Compensation Scheme (FSCS)

Our Bank, C Hoare & Co, is an authorised deposit taker and accepts deposits under this name. In the unlikely event of a collapse by our Bank, certain eligible deposits are protected by the FSCS. Eligible claimants include individuals, small and large companies, and small local authorities (such as parish councils). Further details on eligibility are available at www.fscs.org.uk.

As from 1 January 2016, the amount the FSCS can pay out in compensation will be £75,000. The limit applies to each client but please note that if you hold other personal funds at C Hoare & Co, the limit of £75,000 applies to all funds held in your name at that bank.



The FSCS will provide a £1 million protection limit for temporary high balances held with a bank, building society or credit union if it fails. Cover is related to specific life events and limited to natural persons only. Further details relating to what constitutes a temporary high balance and the rules relating to the protection can be found on the FSCS website.

In the event of a bank failure you agree to us disclosing details to the FSCS for the purposes of submitting a claim for compensation on your behalf.

Financial Conduct Authority (FCA) Requirements

We are not authorised by the Financial Conduct Authority. However, we are included on the register maintained by the Financial Conduct Authority so that we can carry on insurance mediation activity, which is broadly the advising on, selling and administration of insurance contracts. This part of our business, including arrangements for complaints or redress if something goes wrong, is regulated by the Solicitors Regulation Authority. The register can be accessed via the Financial Conduct Authority Web site at: <http://www.fsa.gov.uk/register/epfSearchForm.do>.

If, during our work for you, you need advice on investments, we may have to refer you to someone who is authorised by the Financial Conduct Authority, as we are not. However, as we are regulated by the Solicitors Regulation Authority, we may be able to provide certain limited investment services where these are closely linked to the legal work we are doing for you.

Foreign Account Tax Compliance Act (FATCA)

You may have registration and reporting obligations under the US FATCA legislation which has been enacted in the UK through the International Tax Compliance (United States of America) Regulations 2014. Unless expressly included in our retainer, it will be your responsibility to obtain independent legal or expert advice in relation to your FATCA status and compliance.

Forsters is a Non-Financial Foreign Entity under the terms of FATCA.

Termination

In some circumstances our rules of professional conduct may require that we cease to act, for example, where our own interests conflict with yours or if a conflict of interest arises between you and any of our other clients on the same or related matters. In such circumstances we will provide you with written notice of termination and, where possible, assist you in finding alternative solicitors.

We reserve the right to suspend or terminate our retainer if a payment on account is not made within a reasonable time of being requested. If a final bill is not settled in accordance with these terms and conditions where we are acting for you on more than one matter, we reserve the right to suspend or terminate our retainer in relation to all current matters. We may also suspend or terminate our retainer if a bill is overdue from you or anyone connected with you under any other retainer. "Connected" in these terms of business means a person or company controlled by, controlling or under common control with you.



Otherwise we will not terminate our retainer without your consent.

You may end our retainer in writing at any time before the work is concluded. However, if you do so you agree to pay us our fees, at the relevant rates, for the work already done (or a proportionate part of our fees where we have agreed a fixed fee), expenses and disbursements incurred up to the date of termination, plus any applicable VAT or other tax.

Complaints and Suggestions

We are confident of providing a service of high quality in all respects. If, however, you have any grounds for dissatisfaction with our work for you, please raise the matter in the first instance with the partner responsible, who will investigate it and respond as soon as practicable – in any event within six weeks. If that does not resolve the problem to your satisfaction, or you would prefer not to speak to the partner responsible, then please contact the Firm's client care partner, who at the date of these terms and conditions is Guy Jordan. If for any reason we are unable to resolve the problem between us then, in some cases, you may complain to the Legal Ombudsman who can be contacted on 0300 555 0333 or in writing to enquiries@legalombudsman.org.uk or at PO Box 6806 Wolverhampton WV1 9WJ. Normally you will need to bring a complaint to the Legal Ombudsman within six months of receiving a final response from us about your complaint.

All solicitors must seek to resolve any problems arising with their services. If you find cause for concern we would very much like to know about it straight away. We value your business and are always aiming to improve. If you have any suggestions as to how we could do better, we hope you will let us know.

Equality and Diversity

Forsters is committed to the promotion of equality and diversity in all aspects of our business. We aim to treat all prospective and existing partners, employees, clients and third parties equally and without regard to age, sex, sexual orientation, disability, gender reassignment, marriage or civil partnership, maternity or pregnancy, race, religion or belief. Please contact us if you would wish to review our equality and diversity policy.

Electronic Mail (email)

Despite the inherent insecurity of email, many of our clients expect to communicate with us in this way. If you do not wish email to be used as a method of communication in matters upon which you have instructed us, please let us know. Otherwise we will use email where we consider it appropriate to do so. We do not accept liability for any loss occasioned by the use of email. We may store the files including correspondence and other documents relating to our work for you either electronically or in paper format.

Cyber Risk and Email Fraud

Cybercrime and email related fraud is on the rise. To best protect you, your money and us we will only provide our account details in the form of a branded PDF document which will be sent by mail or



as an attachment to email correspondence. If you receive any other communication purporting to change our account details please do not rely on this and let us know immediately.

Prior to transferring funds to our account, we recommend you contact us to verify our account details.

Data Protection

During the course of carrying out work on your behalf and for as long as is necessary at the end of that matter, we will need to keep information about you, some of which may be considered sensitive. This information will be processed and kept securely in accordance with prevailing data protection legislation, your instructions to us and our duty of confidentiality. By your acceptance (whether deemed or actual) of the client care letter and these terms of business, you are consenting to our use of your personal data as appropriate including giving information to third parties such as expert witnesses and other professional advisers and transfers of such data outside the EEA. We may also hold copies of your personal data on computer servers hosted by third parties within the EEA.

We will use the information you provide primarily for the provision of legal services to you and for the following related purposes:

- to comply with legal and regulatory requirements
- to update and enhance client records
- for internal analysis and research
- to send you information by email or post publications, event invitations and marketing communications about our legal services that we think might be of interest to you
- to help detect, prevent or deal with crime

You may object to any of these processing activities by emailing databasegroup@forsters.co.uk or your primary contact, although please note that such objection may prevent us from carrying out your instructions.

You have a right of access under data protection legislation to the personal data that we hold about you.

For further details please review our full privacy policy on our website.

File Sharing

Forsters can provide secure methods for exchanging large files. However if you request that we access documents from or upload documents to your account on a file sharing or cloud website, you acknowledge and accept that such service may not be secure and that you carry all risks and responsibilities arising from the use of such service.



Storage of Papers and Documents

After completing your work, we are entitled to keep all your papers and documents while there is money owing to us for our charges. We will normally keep our file of papers (except for any of your papers which you ask to be returned to you) for at least 6 years. We keep the file on the understanding that we have the authority to destroy it 6 years after the date of the final bill we send you on the matter in question. We will not destroy documents you ask us to keep here in safe custody. We reserve the right to charge you for storage if we retain your files and documents here.

If we retrieve files or documents from storage in order to act for you in a new or continuing matter, we will not normally charge for the retrieval. We may, however, make a charge (based on time spent) for producing stored files or documents to you or another at your request, or at the request of other authorised third parties or law enforcement agencies. This will include any disbursements, incidental reading, correspondence or other work. Save to the extent that the contents belong to us, we will return files to you or to any other solicitors named by you, provided you have paid any relevant invoices in full.

Client Confidentiality and Legal Professional Privilege

Our advice to and communication with you may be legally privileged in certain circumstances. At any time in the future we may however be under a duty to disclose certain facts or information to third parties and to cooperate with any official investigations or enquiries relating in whole or in part to any work we have done for you. We will endeavour, where possible and unless prevented by law, to notify you of any such event and to take all reasonable steps to protect your interests.

We will be entitled to recover our costs and expenses in complying with such enquiries, including charging for our time at our standard hourly rates.

Outsourcing

From time to time we may request the services of third party companies to carry out services on our behalf including third party expert advice or consultancy, audits, photocopying, scanning and other similar work on our files. Any outsourced providers we engage will be required to sign a confidentiality agreement.

External Auditors

To ensure we provide the highest quality of service to you, our files are from time to time reviewed by independent auditors. By instructing us you agree that your files may be audited.

These external firms or organisations are required to maintain confidentiality in relation to your files. We do not allow auditors to take our files off our premises or to take any copies of documents.



Limitation of Liability

The liability of Forsters LLP (including its partners, members, employees, consultants, subcontractors, affiliated entities or agents) for any claim in respect of our services provided to you shall be limited to the lower of any amount specified in our Engagement Letter and £50 million. We do not limit or exclude our liability for death or personal injury caused by our negligence, for fraud, or for wilful disregard of our professional obligations to you as our client.

Furthermore, we will not be liable (whether in tort, contract or otherwise) for:

- (a) any direct, indirect or consequential loss of profit, loss of business, loss of chance, loss of revenue or loss of an expected saving or benefit, whether suffered by you or by another person as a result of our acting for you; or
- (b) any direct or indirect or consequential loss as a result of a failure or delay in the performance of your instructions if it is due to any event beyond our reasonable control;
- (c) indirect or consequential loss of any other kind.

You also agree that the liability of Forsters LLP shall not be increased as a consequence of the contractual limitation of another professional adviser's liability. In circumstances where we are (or would otherwise be) jointly liable with another adviser, you accept that the proportion of the claim to be met by us shall be unaffected by any limitation of the other adviser's potential liability to which you may have agreed.

In relation to our liability for any claim in respect of our services, the provisions of this clause and of our Engagement Letter shall continue to apply notwithstanding the termination of our engagement for any reason.

Professional Indemnity Insurance (PII)

Forsters maintains PII in accordance with the rules of the Solicitors Regulation Authority. Details of the insurers and the territorial coverage of the policy are available on request.

We are required under the terms of our PII Policy to notify our insurers immediately of any instance which appears to be or could potentially become a claim against us. If we do, then your rights to confidentiality are automatically waived and full details of the matter will be disclosed to our insurer.

Copyright

Copyright in all documentation and materials we produce for you in the course of our work remains our property, but you are licensed non-exclusively in perpetuity to use those materials for the purpose for which they were provided to you by us. This licence is conditional on your having paid our fees in full for the work concerned. You may assign this licence to any successor to the relevant part of your business or activities. The licence may be terminated by us if any unauthorised use of our copyright is made.



Variation

Only a partner may vary these terms of business or the terms of any Engagement Letter in writing. Agreement on fees or any other matter which under these terms of business may be subject to agreement must be given by a partner.

Jurisdiction

Any dispute or legal issue arising from our terms of business will be determined by the law of England and Wales, and considered exclusively by the Courts of England and Wales.

The Firm's Status

Forsters LLP is a limited liability partnership established under English law registered with No. OC306185. Forsters LLP is authorised and regulated by the Solicitors Regulation Authority (SRA). Our SRA identification number is 400249.

References in these terms of business or in any Engagement Letter to a "partner" mean a member of Forsters LLP.

General

Unless otherwise agreed, these terms of business apply to any future instructions you give us.

Your continuing instructions will amount to your acceptance of these terms and conditions of business.

Forsters LLP
20 June 2016



WARNING

Cybercrime and Email Fraud

As reported in the media, cybercrime and email fraud is on the rise. Fraudsters are increasingly targeting law firms and their clients.

Cybercrime and email related fraud is addressed in our Terms of Business on page 5. However we want to highlight additional steps we are taking to best protect you and your money, as outlined below.

Sending funds to Forsters

We will only provide you with our bank account details in a **branded PDF document** which will be sent by mail or as an attachment to email correspondence.

If you receive any communication purporting to come from us which changes those account details please do not rely on this and let us know by telephone immediately.

Prior to transferring funds to our account, we ask that you contact us to verify our account details. Please speak to your normal contact(s) here or, failing that, to someone in our Finance team.

Sending funds from Forsters to you

If you are a relatively new client to the firm or your payment details or instructions have changed, we will contact you via telephone to verify your bank account details, prior to sending funds to you.

If you are a long-standing client of the firm, to whom we have transferred funds and your bank account details have not changed we will rely on our previous transactions rather than contact you via telephone for verification **unless** circumstances exist which increase the level of risk or we otherwise consider it appropriate to do so.

Verification may cause minor delays to processing payments, but we believe it is necessary to help us protect you and your money from fraud.

PLEASE NOTE: We will only send you business-related emails from the **@forsters.co.uk** domain address. We may, from time to time, send you updates and marketing information from a **@forstersllp.com** domain address. Our website will only be www.forsters.co.uk. If you receive an email from an email address which does not match the above or are directed to a website that does not match the above URL please contact us immediately. Beware of emails, purporting to be from Forsters, where there is an unexplained change in the language, poor spelling or incorrect grammar.

