

HUMFRYS & SYMONDS

TERMS AND CONDITIONS OF BUSINESS AGREEMENT

May 2014

This agreement is a legally binding contract between you, the client, and us, Humfrys & Symonds Solicitors. Please read it carefully. Where appropriate "we", "us" and "our" refers to Humfrys and Symonds and "you" and "your" refers to you, the client. Humfrys & Symonds is a trading name of Humfrys & Symonds Ltd, a company registered in England No 8854355, whose registered office is 1 St John Street, Hereford HR1 2ND. This agreement should be read in conjunction with our letter of engagement (the letter), which sets out matters specific to our agreement with you. The Terms of Business together with the letter are important documents and should be kept in a safe place.

1 Agreement

- 1.1 This agreement relates to the work we are to carry out for you in connection with your case.
- 1.2 Unless otherwise agreed, these Terms of Business also apply to any future instructions you give us.
- 1.3 Your continuing instructions in this matter will amount to your acceptance of these Terms of Business. Even so, we ask you to please sign and date the letter of engagement and return it to us immediately.
- 1.4 An estimate of the time we believe it will take to complete your case or to complete the first stage of your case is set out in the letter. This estimate may change if matters do not proceed smoothly.

2 Service standard

We will:

- (i) update you by telephone or in writing with progress on your matter at least every three months unless we agree differently;
- (ii) communicate with you in plain language;
- (iii) explain to you by telephone and/or in writing additional legal work required as your matter progresses;
- (iv) update you on the likely time scales and costs for each stage of the matter and any important changes to our estimates.

3 People responsible for your case

- 3.1 The person responsible for your case is set out in the letter.
- 3.2 He/she may be assisted / supervised by others, including directors, solicitors, legal executives, other executives and trainee solicitors.
- 3.3 If the person responsible for your case is not available please ask for his/her secretary.
- 3.4 Sometimes it is necessary to change the person responsible for your case. If a change occurs we will notify you in writing and explain why the change is necessary.
- 3.5 The director with ultimate responsibility for your case is also named in the letter.

4 Location and hours of business

- 4.1 Humfrys & Symonds offer legal services from their offices at 1 St John Street, Hereford HR1 2ND.
- 4.2 Our normal hours of business are 9am to 1pm and 2pm to 5pm Monday to Friday, except that we close on Bank Holidays and at 1pm on the last working day before Christmas Eve and on New Year's Eve.

5 Responsibility

- 5.1 We will:
 - (v) review your matter regularly;
 - (vi) advise you of any change in the law appropriate to proceed with your matter.
- 5.2 You will:
 - (i) provide us with clear timely and accurate instructions,
 - (ii) provide all documentation required to complete the matter in a timely manner,
 - (iii) safeguard any documentation that may be required for disclosure.

6 Charges and expenses

- 6.1 We are happy to negotiate a mutually acceptable basis of charge and frequency of invoicing for any particular case. The basis for calculation of our fees for your case is set out in the letter. By accepting this agreement you agree that we have explained to you sources of funding including public funding, insurance or payment by another person. You also agree that we have discussed with you whether the likely outcome will justify the expense or risk involved.
- 6.2 Fees are mainly, but not exclusively, calculated by reference to the time spent dealing with your case, referred to as the hourly rate. The hourly rate will be used to charge for meetings with you and others; time spent travelling; time spent considering, preparing and working on papers; correspondence; making and receiving telephone calls; and attending Court and representing you at Court.
- 6.3 The hourly rate, which is exclusive of VAT, depends on the seniority and qualification of the person responsible for handling your case and the grade of anyone assisting him/her. The hourly rates applicable to your case are set out in the letter. We may take into account other factors in

calculating the hourly rate, including the complexity of the issues, the speed at which work must be undertaken, the expertise or specialist knowledge which the case requires and, if appropriate, the value of the property or subject matter of the case. We expect these factors to be adequately covered by the hourly rates set out in the letter but the rates may be increased if, for example, the case becomes more complex than expected. We will notify you of any changes.

- 6.4 Routine letters, emails and telephone calls that we write or make may be charged at either one tenth of the hourly rate or on the basis of time spent. Routine letters, emails and telephone calls that we receive may also be charged at either one tenth of the hourly rate or on the basis of time spent. All non-routine letters, emails and telephone calls, both made and received, will be charged on the basis of time spent.
- 6.5 Our hourly rates are reviewed from time to time to take account of changes in our overhead costs and salaries. We will notify you in writing of any changes.
- 6.6 You are responsible for paying our charges and expenses. The amount of our costs which you will have to pay may be greater than the amount you can recover from another party to the case.
- 6.7 We will add VAT to our charge at the rate that applies at the time. At present VAT is 20%.
- 6.8 There may be certain other expenses, including payments we make on your behalf, such as court fees, fees for experts' reports and barristers' fees which you will have to pay. An estimate of the amount likely to be required is set out in the letter. These estimates are not intended to be fixed. VAT is payable on certain expenses and we have no liability to pay them unless funds have been provided by you for that purpose.
- 6.9 An estimate of the total charges and expenses, or charges and expenses for the relevant stage of the matter, is set out in the letter. This estimate is not intended to be fixed. We will give you estimates of our likely charges and expenses as the matter progresses and at least every 6 months.
- 6.10 We will inform you if any unforeseen additional work becomes necessary. We will also inform you of its estimated cost in writing before any extra charges and expenses are incurred.
- 6.11 If for any reason the matter does not proceed to completion, we will charge you for work done and expenses incurred.

7 Arrangement for payment of charges and expenses

- 7.1 We will send you an invoice for our charges and expenses at the intervals specified in the letter and a final invoice after completion of the case.
- 7.2 Save where interest is recoverable under any statute we reserve the right to charge you interest on invoices that remain unpaid for 30 days or longer at the rate of 4% above National Westminster Bank Rate from the date of invoice. Interest will be charged on a daily basis.

- 7.3 If you have a query about your invoice you should contact the person responsible for your case immediately.
- 7.4 If we need you to pay money on account before we start work, this will be set out in the letter. You may agree to pay sums of money from time to time on account for charges and expenses which are expected in the following weeks or months. We may request further payments on account for charges and expenses to be incurred as the case progresses. When we put these payments towards your invoice(s) we will send you a receipted invoice. We shall offset any such payments against your final invoice, but it is important that you understand that your total charges and expenses may be greater than the advance payments.
- 7.5 You may agree to pay charges and expenses up to a certain limit without the need for us to refer back to you. If this is the case the limit will appear in the letter. We will let you know when the limit is likely to be exceeded and we will not exceed the limit without first obtaining your consent.

8 Other party's charges and expenses

- 8.1 You are responsible for all our charges and expenses regardless of the outcome of your case. Even if you are successful, the other party may not be ordered to pay all your charges and expenses or these may not be recovered from them in full; if this happens, you will have to pay the balance of our charges and expenses. If the other party has public funding, you may not get back any of your charges and expenses, even if you win the case.
- 8.2 If you are successful and the court orders the other party to pay some or all of your charges and expenses, interest can be claimed on them from the other party from the date of the court order. We will account to you for such interest provided that you have paid our charges or expenses on account. However if our charges or expenses have not yet been settled we reserve the right to use the interest to settle or part settle any such outstanding charges or expenses.
- 8.3 You will also be responsible for paying us the charges and expenses we incur in seeking to recover any costs and expenses that the court orders the other party to pay you.
- 8.4 In some circumstances, the court may order you to pay the other party's legal charges and expenses, for example, if you lose the case. We will discuss with you whether our charges and expenses and your liability for another party's charges and expenses may be covered by insurance, and, if so, whether it would be advisable for you to have insurance to meet the other party's charges and expenses.

9 Companies – personal guarantee

We reserve the right to require personal guarantee(s) for all charges and expenses payable by a limited company or public limited company client as a precondition of accepting or continuing with instructions, and may require the director(s) to execute a formal and separate Deed of Guarantee.

10 Storage of papers and documents

- 10.1 After completing the case, we are entitled to keep all your papers and documents while there is money owing to us for our charges and expenses. We will keep our file of papers (except for any of your papers which you ask to be returned to you) for different periods of time depending on the nature of the work, but for a minimum period of 6 years. We will keep the file on the understanding that we have your authority to destroy it 6 years after the date of the final invoice we send you for your case. We will not destroy documents you ask us to deposit in safe custody.
- 10.2 If we retrieve papers or documents from storage in relation to continuing or new instructions to act in connection with your affairs, we will not normally charge for such retrieval. However, we may make a charge based on time spent producing stored papers or documents to you or another at your request. We may also charge for any reading, researching and correspondence as may be necessary to comply with the instructions given by you or on your behalf.

11 Communication

- 11.1 We will aim to communicate with you by such method as you may request. Unless you ask us not to, we will communicate with others by email or fax, but we cannot be responsible for the security of correspondence and documents sent in this way.
- 11.2 Where we act for two or more clients jointly, we will consider that we are authorised to act on instructions from either or any client, unless you instruct us otherwise.

12 Termination

- 12.1 You may terminate your instructions to us in writing at any time but we will be entitled to keep all your papers and documents while there is money owing to us for our charges and expenses.
- 12.2 In some circumstances, you may consider we ought to stop acting for you, for example, if it is clear you have lost confidence in how we are conducting your case.
- 12.3 We may decide to stop acting for you only with good reason, for example, if you do not pay an interim invoice or comply with our request for a payment on account within a reasonable time. We must give you reasonable notice that we will stop acting for you.
- 12.4 If you or we decide that we will no longer act for you, you will pay our charges on an hourly basis and expenses as set out earlier.

13 Banking

Please note that we normally pay client moneys into our client account with National Westminster Bank plc, although we also operate a client account with HBOS plc. We will not be liable to repay money lost through a banking failure. The Financial Services Compensation Scheme may cover client moneys held by us for an individual or a small business. We do not give any assurance or guidance as to whether or not the scheme applies. If the scheme does apply, we believe that there is an £85,000 compensation limit for each client. If you

hold other personal monies in the same bank as our client account, we understand that the compensation limit remains £85,000 in total.

14 Equality and Diversity

Humfrys & Symonds is committed to promoting equality and diversity in all of its dealings with clients, third parties and employees.

15 Data Protection

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

- (i) updating and enhancing client records
- (ii) analysis to help us manage our practice
- (iii) statutory returns
- (iv) legal and regulatory compliance

Our use of that information is subject to your instructions, the Data Protection Act 1998 and our duty of confidentiality. Please note that our work for you may require us to give information to third parties such as expert witnesses and other professional advisers.

You have a right under the Data Protection legislation to the personal data that we hold for you.

16 Outsourcing of work

Sometimes we ask other firms to undertake work on our files to ensure it is done promptly. We will always seek a confidentiality agreement with these outsourced providers. If you do not want your file to be outsourced, please tell us as soon as possible.

17 Vetting of files and confidentiality

External firms and organisations may conduct audit or quality checks on our practice. These external firms or organisations are required to maintain confidentiality in relation to your files. Examples of the type of organisations are accountants or the Solicitors Regulatory Authority.

18 Limit of liability

- 18.1 Our total liability in connection with or arising directly or indirectly from any matter is limited to £5 million.
- 18.2 We can only limit our liability to the extent the law allows. In particular we cannot limit our liability for death or personal injury caused by our negligence. Please ask if you would like us to explain any of the above terms.

19 Applicable law

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 English and Welsh Courts.

20 Due diligence

The law requires solicitors to get satisfactory evidence of the identity of their clients and sometimes people related to them. This is because solicitors who deal with money and property on behalf of their clients can be used by criminals wanting to launder money. To comply with the law we need to get evidence of your identity as soon as possible. Our practice is to request evidence of your identity, whether corporate or individual, at our first appointment or as soon as possible thereafter. To this end Humfrys & Symonds require each client, individual or corporate, to provide one of the following as evidence of their name:

- (i) current signed passport
- (ii) current full UK driving licence
- (iii) UK residence permit issued by the Home Office
- (iv) current benefits book
- (v) national photo identity card

and one of the following as evidence of their address, to be not more than three months old:

- (i) recent utility bill or statement
- (ii) current council tax payment book
- (iii) recent bank/building society statement
- (iv) recent mortgage statement
- (v) current local council tenancy agreement

We must have sight of the original documents or copies of such certified by a local solicitor, accountant, doctor or bank manager whose details should be provided. If you are unable to provide any of the above, it will be necessary for you to contact the fee earner conducting your case to decide a way to verify your identity.

21 Making a disclosure

We are professionally and legally obliged to keep your legal matters confidential. However, solicitors may be required by statute to make a disclosure to the National Crime Agency (known as NCA) where they know or suspect that a transaction may involve money laundering or terrorist financing. If we make a disclosure in relation to your matter, we may not be able to tell you when that disclosure has been made. We may have to stop working on your matter for a period of time and may not be able to tell you why.

22 Mortgage fraud

For conveyancing matters when we are acting for both the lender and the purchaser we have a duty to reveal to the lender all relevant facts about the purchase and mortgage and this includes (a) any difference between your mortgage application and information we receive during the transaction, (b) any cashback payments or discount schemes that a seller is giving to you.

23 Fees and cost related matters

23.1 Payment of interest

Any money received on your behalf will be held in our client account and the interest will accrue to your benefit, subject to minimum amounts and periods of time as set out in the Solicitors Accounts Rules and in our Payment of Interest Policy, which is available on request.

The period for which the interest will be paid normally runs from the date when funds are received by us until the date those funds are issued to you.

23.2 Financial arrangements with client

It is our practice policy only to accept cash up to £500. If you try to avoid this policy by depositing cash directly in our bank we may decide to charge you for any additional checks we decide are necessary to prove the source of the funds. Where we have to pay money to you, you will be paid by cheque or bank transfer. It will not be paid by cash or to a third party.

24 Providing exempt financial services

We are not authorised by the Financial Services Authority. If, while we are acting for you, you need advice on an investment, we may have to refer you to someone who is authorised to provide such advice. However, we may provide certain limited investment advice where this is closely linked to the legal work we are doing for you. This is because we are members of the Law Society of England and Wales, which is a designated professional body for the purposes of the Financial Services and Markets Act 2000.

The Solicitors Regulation Authority is the independent regulatory arm of the Law Society. The Legal Ombudsman deals with complaints against lawyers. If you are unhappy with any investment advice that you receive from us then you should raise your concerns with either of those bodies.

25 Providing exempt insurance mediation

We are not authorised by the Financial Services Authority. However, we are included on the register maintained by the Financial Services Authority so we may carry out insurance mediation activity, which is broadly the advising on and 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 Services Authority website at www.fsa.gov.uk/register.