

Terms of Business

Introduction

These terms of business govern the legal advice and services which we will provide to you. The Engagement Letter and any Scoping and Pricing document together with these terms of business form our agreement. In the event of any differences between these Terms of Business and the terms set out in the Engagement Letter, the Engagement Letter will take precedence. Our Terms of Business are also available on our website www.thrings.com.

Changes to these terms of business

We may revise these terms of business from time to time, for example if there are changes in relevant laws and regulatory requirements.

Your team

The Engagement Letter explains who will be working with you on your matter; if we need to make changes to your core team we will let you know. It may sometimes be appropriate to use the specialist skills of other people in the firm.

Scope of work

The scope of the work we have agreed to carry out for you is set out in your Engagement Letter. The advice that we give you is based upon the information that you give us and reflects the law as it is at the time of our advice. We do not accept responsibility for notifying you of any changes in the law or legal decisions (including in relation to tax planning) which occur after we have advised you.

Costs, invoicing & payments

Hourly charge-out rates: Where we use hourly charge-out rates, time spent is recorded in units of six minutes and fractional units are rounded up. We review our rates annually and reserve the right to increase the rates set out in the Engagement Letter. We will contact you if our rates increase.

Expenses & Disbursements: Disbursements incurred on your behalf will be shown separately on our Invoice. If you instruct us to obtain advice/services from a third party you will be responsible for their fees and expenses incurred.

We will normally ask you to pay us in advance for disbursements. If we do not hold cleared funds from you we are not obliged to cover the costs ourselves.

Any travel that we undertake on your behalf will either be charged at the relevant hourly charge-out rate or at a percentage of that hourly rate. We will make an administrative charge for bank transfers, e.g. Telegraphic Transfers (TTs) or Bankers Automated Clearing Services (BACS) payments, of usually £25 plus VAT which will include a relevant check, if applicable, of the recipient's details. This charge is an expense not a disbursement.

VAT: Unless zero rating or an exemption applies, we will add VAT to our charges and certain expenses we incur on your behalf at the rate which applies when the work is done. Our VAT number is 762271043.

Invoicing & payments on account: To help you budget, we will send you regular interim invoices usually on a monthly basis. You agree that we may send our invoices to you by email.

We are entitled to use any funds paid to us on account of costs to pay an invoice. Where we are dealing with an estate and we hold funds which are not required to meet estate liabilities we may take payment from the estate for our invoices.

We may require you to make payments on account as the matter proceeds or to pay an outstanding invoice before we proceed further with your matter.

Payment is due to us as soon as you receive our invoice: If you do not pay all or part of an invoice within 14 days we are entitled to charge you interest at 8% per annum on the amount outstanding from the date the invoice was issued until payment. We may also decide to stop working for you (see Ending our Arrangement below) and we may begin legal proceedings against you. If we do issue legal proceedings against you, you agree that they may be served on you at any correspondence address in England and Wales or via any email address which you have provided to us during the course of our engagement. If we issue proceedings, you agree that you will indemnify us in relation to all further costs and expenses incurred by us in pursuing you for any unpaid costs and expenses.

If you have any query about an invoice you should contact us straight away. If you wish to complain about an invoice please contact our Quality & Risk Team. See **Complaints** below.

Payment method: Payments made to us may be made by cheque, bank Telegraphic Transfer (TT), Bankers Automated Clearing Service (BACS) or Credit Card. We do not accept payments in cash. We will make any payments due to you by cheque, TT or BACS.

Third party payers: As our client, you will remain liable for paying our invoice even if we have agreed that a third party will pay or where someone else is ordered to pay our costs.

Funding options: There may be other ways for you to fund your matter. Some are outlined below. Please let us know immediately if you would like to discuss any of these options in more detail.

Existing insurance: Please let us know immediately if you believe you have any existing insurance cover that might be relevant to your costs and your potential liability. Insurance policies will sometimes provide cover for the payment of legal costs associated with the risks covered by those policies and other legal expenses. You should, therefore, consider the details of each policy of insurance (including building and contents, business liability, directors & officers, professional indemnity and product liability insurance cover) you currently have in place to check the position. Those policies will often limit the way in which legal costs may be incurred. Usually insurers will not be prepared to backdate a claim for legal costs, and accordingly they should be notified of any potential claim which you may have under a policy at the very earliest opportunity.

After the event (ATE) insurance: An option that may be available to you in the event of legal proceedings being required is to put in place new insurance against the risk of your being unable to recover your own legal costs or having to pay the costs of the other parties. There are a number of such policies on the market and we can consider them in more detail if you require. Each policy is different. Key features of the policies might include a non-refundable underwriting or assessment fee, and different insurers have different ways of calculating the premium.

Conditional Fee Agreement (CFA): This firm, like many others, will on occasions take on cases in accordance with a CFA. The CFA would involve this firm and you agreeing to share the risk of pursuing the case by coming to a financial arrangement on the fees payable based on the outcome of the legal proceedings. Such arrangements are inaccurately, but regularly called "no win, no fee" agreements.

As part of the shared risk, the CFA would include this firm's entitlement to be paid its fees (based on the agreed hourly rates) plus a success fee (calculated as a percentage of those fees) if you win, and with no fees (or a reduced fee) being payable if you lose. In such circumstances, this firm would require you to fund the payment of expenses, including experts' and Counsel's fees, as the case proceeds.

The circumstances in which you win or lose the case would have to be properly defined in the CFA. A risk assessment of the case would be carried out by this firm to ascertain the success fee percentage.

You can protect yourself against having to pay those costs if you lose by taking out ATE insurance at the outset of the CFA.

If you win the case and costs are awarded against the losing party, you would be required to pay this firm's costs plus the success fee. A proportion of the costs would be recoverable from the losing party. Success fee and ATE premiums are not typically recoverable from the losing party.

If, on the other hand, you lose the case, you will not be liable to pay any fees to this firm, or you may have to pay a reduced fee (depending on what has been agreed in the CFA) together with the expenses. You would normally be required to make a contribution towards the winning party's costs.

Depending on the nature of your case, this firm may agree to take it on pursuant to a CFA, and in those circumstances we would provide you with more information about CFAs, ATE insurance and the steps which would have to be taken to enable this firm to carry out the risk assessment.

Union and Trade Association funding: If you are a member of a Union or Trade Association, they may offer you assistance with legal expenses and/or offer mediation, conciliation or other dispute resolution services.

Legal Aid: We do not have a Legal Aid contract and so we are not able to apply for Legal Aid on your behalf. If you want to apply for Legal Aid you will need to consult a firm which has a Legal Aid contract. Making an application for Legal Aid may be important in Crown Court cases. Please see below.

Prosecutions: If you are prosecuted in the Magistrates' Court and you are acquitted or otherwise successful then the court may order that your costs and expenses be paid out of Central Funds. If this happens then your costs will be assessed by the National Taxing Team before the assessed amount is paid from Central Funds at Legal Aid rates.

It is difficult to guide you on the level of Legal Aid rates. This is because firstly Legal Aid rates vary dependent upon the type of work being done (for example there are different Legal Aid rates paid for writing letters as opposed to for example representing you in court). Secondly Legal Aid rates vary from time to time. If you wish for us to provide you with up to date Legal Aid rates at any given time, then please let us know. As a general guide however Legal Aid rates are far lower than our rates. Despite this, you will remain liable to us for our full rates and expenses at all times.

If you are prosecuted in the Crown Court which is typically used for more serious offences - then the rules regarding recoverability of your costs are different.

If you are acquitted or otherwise successful in the Crown Court, then whether you will be entitled to recover costs from Central Funds will be dependent upon your income and whether you have applied for Legal Aid. If you do not apply for Legal Aid then you will not be entitled to recover your costs from Central Funds in Crown Court cases at all. Therefore in Crown Court cases you should apply for Legal Aid, even if you are likely to be ineligible, in order to preserve your right to recover some of your legal costs in the event that you are acquitted or otherwise successful. As we do not have a Legal Aid contract you will need to consult another firm in order to apply for Legal Aid.

If you are not an individual but you are a company or other legal person then you are not entitled to recover any costs from Central Funds unless your case is heard in the Supreme Court.

You should be aware that the court has a wide discretion as to awards of costs. In the event that the case goes against you,

you may have to pay the prosecution's costs as well as your own.

Banking: Our main client account is held with HSBC but we also deposit funds with other banks. You understand that in the event of any banking failure the bank concerned will be liable to you for any money we hold on your behalf and that we accept no liability for any loss you incur. In the event of a banking failure you may be able to claim compensation under the Financial Services Compensation Scheme (FSCS). Further details, including eligibility criteria, can be found at www.fscs.org.uk

Interest payments: We will normally pay interest on money which we hold for you in accordance with the SRA Accounts Rules. The relevant interest rate may be less than the rate at which you could have invested the money yourself. However, small amounts of interest (under £20) will not be credited or paid to you and we will not pay interest on money held for the payment of an expense.

If you are obtaining finance from a lender for your transaction, we will ask the lender to arrange for funds to be forwarded by telegraphic transfer in advance of completion, in order to ensure that cleared funds are available. Your lender may charge interest from the date that the transfer is made.

Conflicts

We are not aware of any conflict that would prevent us from acting for you on this matter. If we do become aware of a conflict problem we will let you know and may have to stop acting for you. If this happens you will still be liable to pay for our fees, expenses and VAT.

Communication

In accordance with normal business practice you agree that our means of communication with each other and third parties can include email as well as letter and phone. We cannot guarantee the security or effectiveness of email communications and will not be liable for any loss arising from the delay, non-delivery or interception of emails or from our acting on false emails. There is a risk that email communications may contain a computer virus, although we will do our best to prevent this from happening through the use of anti-virus software.

Liability

Our liability - who "we" are: Things is a limited liability partnership (LLP). Even though we may use the title "Partner" for some of our people, there is no partnership between the members or between the firm and the members. Our engagement is only between you and the firm, and not with any individual partner, member, employee or consultant of the firm.

Insurance: We maintain professional indemnity insurance in accordance with Solicitors Regulation Authority requirements. Details of our insurers and the territorial coverage of the policy are available for inspection at our offices.

Third party rights & liability to third parties: The Contracts (Rights of Third Parties) Act 1999 is excluded so that no third party shall be entitled to enforce any provisions of these terms of Business or the Engagement Letter.

Our advice is personal and confidential to you, as the client(s) named in the Engagement Letter. We accept no responsibility whatsoever to any third party howsoever arising from the advice that we give to you. Any third party receiving details of our advice or any document containing such advice given to you does so at its own risk and must be informed of this clause.

Other experts and our liability for their work: We may advise you to seek advice and/or assistance from another professional or other third party such as accountants or surveyors or from foreign lawyers, counsel or translators. When we do engage a third party, we will act as your agent in engaging and instructing them on your behalf. We will not be liable for the quality of their advice or work or any of their acts or omissions.

Liability Cap: The total aggregate liability of this firm and its members, employees and agents (whether arising in contract, negligence or otherwise) in any matter for any claim or series of claims arising from the same circumstances will be subject to a liability cap as set out in the Engagement Letter or, if no cap is set out in the Engagement Letter, will be limited to the amount of £3million.

Liability & Contribution: Notwithstanding the liability cap above, our liability to you shall also be limited to that proportion of the loss or damage (including interest and costs) suffered by you, which is ordered against us by a Court of competent jurisdiction after taking account of the contribution to the relevant loss and damage of any other person responsible and/or liable to you for such loss or damage. For the purpose of assessing such contribution of any other person, no account shall be taken of any limit imposed on the amount of liability of such person by any agreement made before the loss or damage occurred.

Indirect, consequential and compliance loss: Subject to the paragraph below **Liability for personal injury and death and other losses**, we will under no circumstances whatever be liable to you, whether in contract, tort (including negligence), breach of statutory duty, or otherwise, arising under or in connection with any matter for:

- (a) any loss of profits, sales, business, or revenue;
- (b) loss or corruption of data, information or software;
- (c) loss of business opportunity;
- (d) loss of anticipated savings;
- (e) loss of goodwill; or
- (f) any indirect or consequential loss.

We shall not be liable for any loss arising from or connected with our compliance with any statutory obligation which we

may have, or reasonably believe we may have, to report matters to the relevant authorities.

Liability for personal injury and death and other losses: The limitations and exclusions on liability in this section shall have no application to any liability for death or personal injury caused by our negligence or for any other liability which cannot lawfully be excluded or limited.

Financial Crime and Money Laundering

We are obliged to comply with the Proceeds of Crime Act and related Anti-Money Laundering rules. This is because solicitors who deal with money and property on behalf of clients can be used by criminals wishing to launder money.

Our obligations include the need to

- Obtain information about your identity and verify that information
- obtain, and sometimes verify, information about businesses and people related to you and the work that we are doing for you
- obtain information about the source of funds
- monitor transactions and keep identity information up to date

We may need to carry out an electronic search for identification purposes. For each search undertaken we will make an administration charge of at least £15 plus VAT. If a search is necessary we will contact you to explain the cost involved.

In certain circumstances we must report evidence or suspicions of money laundering. Please see **Confidentiality, Data Protection and Disclosure** below.

Documents, Files and Storage

While we are working for you we will keep a paper and/or an electronic file. Once the work is complete we will retain an electronic file and may also retain a paper file. If at the end of your matter you require documents from your file please let us know.

We are entitled to keep possession of all documents or papers that belong to you if you owe us money. This is known as a "solicitor's lien".

We will retain our files in accordance with our Document Retention Policy, which may change from time to time. We reserve the right to destroy files without further notice to you at the end of that retention period, which is currently six years after the conclusion of the matter for most files.

We are able to keep important documents such as Deeds and Wills in safe custody on your behalf for longer periods if you would like us to.

If we are asked to retrieve or provide copies of stored documents we will make an administration charge of an amount to be determined (at our discretion) at the time of your request. Our current charge is £75 + VAT.

Confidentiality, Data Protection & Disclosure

We are required to comply with the Data Protection Act 1998 and, as solicitors, we have a duty to keep information about you and your business confidential. Subject to these, we may use your information in the following ways:

- to provide legal advice and services to you
- to keep our central records up to date and manage the firm's business
- to complete statutory returns and deal with regulatory obligations
- to make our files and IT systems available to our regulators and external auditors
- to send you information about other services that we think might be of interest to you
- to share such information with third parties (e.g. expert witnesses, other professional advisers, outsourced service providers, the courts, mortgage lenders and our insurers) as may be necessary to provide you with proper legal advice and services and/or to comply with our regulatory obligations
- (having asked for and received your specific consent), to use your matter as part of a case study or article to promote our expertise
- (having asked for and received your specific consent), to use you as a reference

Where necessary, we may from time to time send or share your data outside the European Economic Area (EEA) but only where we have your specific consent and/or where our agreement with the recipient, and the laws of the recipient's country, offer adequate levels of data protection and confidentiality.

In order to help prevent crime, we are in some circumstances under a legal duty to disclose information to the National Crime Agency (NCA) or other enforcement agencies. If we make a disclosure we will usually not be able to tell you about it or the reasons for the disclosure.

You are entitled (on written request and payment of a fee of £10) to details of your personal data which we hold and the purposes for which we process it. If you think we hold any of your personal data which is inaccurate, out of date or irrelevant, please contact me as soon as possible.

If you would like to discuss please contact us as soon as possible.

Copyright

We own the copyright in all documents created by us for you. You may use those documents for the particular purpose for which they were created if you have paid all costs and expenses due to us. If you wish to use them for any other purpose, you should obtain our permission to do so first.

Ending our Arrangement

You may terminate your instructions in writing, at any time. In some circumstances, we may want to stop acting for you. We would only do so with good reason, for example where you have not paid our invoice or provided money on account of our costs, and on reasonable notice. Where you or we terminate our engagement, you will remain liable to pay all costs and expenses incurred by us up to and including the date of termination.

If you are acting as a consumer you may have additional cancellation rights. If these rights do apply they will be explained in your Engagement Letter.

Complaints

A copy of our written Complaints Procedure is available on request. If you wish to complain about the service you have received or our invoice you may contact Fiona Govier in our Quality & Risk Team. Fiona can be contacted on 01225 340056 or by email at fgovier@thrings.com.

If you remain dissatisfied once your complaint has been investigated by us, or because we have not dealt with your complaint within eight weeks, you may be entitled to refer your complaint to the Legal Ombudsman. The Legal Ombudsman can be contacted by post at PO Box 6806, Wolverhampton WV1 9WJ, by email at enquiries@legalombudsman.org.uk or by phone on 0300 555 0333. The website is available here: www.legalombudsman.org.uk.

The Legal Ombudsman deals with service complaints from members of the public and very small businesses, charities, clubs and trusts.

Any complaint to the Legal Ombudsman must usually be made within six years of the date of act/omission, or three years from when the complainant should have known about the complaint and within six months of the complainant receiving a final response from their solicitors if applicable.

You may also have the right to apply to the court for an assessment of an invoice under Part III of the Solicitors Act 1974. The Legal Ombudsman may not deal with a complaint about an invoice if the client has applied to the court for the invoice to be assessed.

Governing Law

Our relationship with you will be governed by English law and will be subject to the exclusive jurisdiction of the English courts. However, we may bring legal proceedings to recover our fees or other sums payable to us in any other jurisdiction.

Regulatory information

Thrings is the trading style of Thrings LLP, a limited liability partnership registered under No.OC342744 in England and Wales, authorised and regulated by the Solicitors Regulation Authority (SRA). The SRA Handbook is available at www.sra.org.uk

The word "Partner" is used by us to refer to a member of the LLP or an employee or consultant of Thrings LLP with equivalent standing and qualifications. A list of members together with a list of those non members who are referred to as partners is available for inspection at our registered office, 6 Drakes Meadow, Penny Lane, Swindon SN3 3LL.

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 Solicitors Regulation Authority.

The register can be accessed via the Financial Conduct Authority website at www.fca.gov.uk/register