



CLIENT CARE & TERMS OF BUSINESS

*This is an important document.
Please keep it in a safe place for future reference.*

1. General Matters

These terms constitute our agreement to act as your Solicitors on any instructions received from you, unless otherwise agreed in writing by us. The agreement will continue until you/we end it or you/we supersede it, you end your instructions, or you/we end it.

Attached to these terms is a schedule ("*the Schedule*") that contains details specific to your matter. The Schedule forms part of these terms.

If we agree additional and/or revised terms, these will be set out separately in writing by letter, quotation, or revised schedule. If there is any conflict between these standard terms of business and the additional and/or revised terms, the later terms will prevail. We reserve the right to alter the terms of this agreement because of legislative or other changes. We will notify you of the amendments in writing.

This agreement shall be subject to the laws of England and you agree to submit to the exclusive jurisdiction of the Courts of England and Wales.

2. Conduct of Work

The person responsible for the work carried out in this matter ("*Matter*") and their status is set out in the Schedule ("*the Responsible Person*"). The supervisor of the Responsible Person is set out in the Schedule ("*the Responsible Director*").

The Responsible Person will explain to you the issues in your matter and inform you of progress. It is an important part of their duty to advise you from time to time on whether the likely outcome of your case will justify the likely charges, expenses and the risk involved. He/she will endeavour to communicate with you about your matter. This will include sending out copy correspondence and documents. He/she will check these carefully. It is important that you read all correspondence and documents received and promptly raise any questions about correspondence and documents received.

Phillips will try hard to avoid changing the people handling your work. If Phillips cannot avoid a change, it will tell you of who will be handling your work and why the change was necessary.

3. Timescale

The Schedule includes a time estimate based on your matter progressing smoothly. Where a matter is straightforward and control of work lies in our hands then the Responsible Person can give a clear estimate. Where a matter is complicated, lengthy and/or progress depends on third parties then even the most careful timescale may be wrong and is beyond our/your control. The Responsible Person will endeavour to keep you informed of the timescale throughout this matter, but please remember the difficulties mentioned. Do not make arrangements based on the estimate without checking with the Responsible Person whether it is safe or sensible to do so.

In this matter, you may have to carry out certain actions. The Responsible Person shall tell you what is required. Please undertake the action properly and promptly.

4. Charges and Expenses

Phillips' charges are based on the time spent dealing with your matter. Time spent includes:

Meetings with you and others;
Reading, preparing, drafting and working on papers;
Correspondence and communications of all kinds sent and received;
Telephone calls made and received;
Travelling and waiting;
Attending Court, including advocacy; and
Identity Verification.

Phillips' charges will consist of three elements:

A. The rate for the Responsible Person's time;

Phillips will charge an hourly rate for all time spent on your matter. This rate is set out in the Schedule. Phillips charges for routine letters emails and faxes sent and received and telephone calls (made and received) as units of six minutes. The charge for routine letters received is in units of three minutes. The charge for other letters emails and faxes sent and telephone calls will be on a time spent basis. Phillips reviews its charging rates annually to take account of changes

in overhead costs and/or prevailing court or other third party charges. The Responsible Person will notify you in writing of any increase in charges.

B. Value Added Tax

The Responsible Person must add value-added tax ("VAT") to the charges and certain other expenses with each bill. At present, the rate of VAT is 20%.

All sums referred to in these Terms of Business are exclusive of VAT

C. Expenses.

It is usually necessary to incur expenses (often called "*disbursements*"). For example: court fees, company searches, property search fees, Land Registry fees, etc. The Responsible Person will tell you in advance the estimated or actual amount and reason for any expense when you require the matter to proceed very quickly. You must pay any necessary expense before Phillips incurs the cost. Any likely expenses at the outset are set out in the Schedule. If requested payments are not made promptly this may delay your matter.

5. Payment on Account

It is normal to ask clients to pay money on account of charges and any likely expenses at the outset. This helps avoid delay in the progress of your matter. The Responsible Person will request further payments on account as the matter progresses. Any amount paid on account shall be offset against your bill, but our total bill may exceed the advance payments made. The initial payment on account is set out in the Schedule. If there is a credit due to you at the end of your matter, Phillips will repay it immediately. If you owe money at the end of your matter, Phillips will require payment to discharge the balance. Phillips is not a lending agency and the amount due is payable in full.

6. How to Pay

You can settle your bill by payment in cash, cheque or direct funds transfer into Phillips's Client Account. Please note we do not accept cash sums over £500 and will not accept any payment direct into our Client Account in cash sums over £500.

7. Billing Arrangements

For certain matters, to assist cash flow, the Responsible Person will upon request send you an interim bill or bills while your matter is in progress. They will send you a final bill when your matter is complete.

Payment of all bills must be made within 28 days of the date of each bill. Phillips reserves the right to charge interest on the bill at 4% above the Royal Bank of Scotland Plc base rate from the date on which the bill is due if you do not pay your bill within this time. Phillips will charge interest on a daily basis.

If you have any query about your bill, you should contact the Responsible Person immediately.

8. Cost Estimate

An estimate of the total charges and expenses in dealing with your matter is contained or referred to in the Schedule. This is not a fixed estimate but illustrative guidance in respect of the likely cost. The Responsible Person will review it regularly.

The Responsible Person will keep you informed of any unforeseen additional work, as it becomes necessary. This may include, for example, unexpected difficulties or a significant change during the course of your matter. The Responsible Person will also tell you of what impact any unforeseen work has on the estimated cost wherever possible before incurring extra charges and expenses. In property matters if, for any reason, your matter does not proceed to completion, the Responsible Person will charge you for work done and any expenses incurred.

You may limit the charges and expenses incurred. This means that you must pay up to the agreed limit without needing the Responsible Person to refer back to you. The Responsible Person will inform you when it appears that costs will exceed the limit. The Responsible Person will not go over the limit without your consent, but equally if consent is not given the matter will not be progressed.

9. Commissions

We will disclose to you all commissions earned by us in relation to your instructions and except where we agree otherwise in writing, we shall keep the commission.

If any commission we earn becomes repayable through claw-back for whatever reason, we are entitled to reimbursement from you for the amount repayable.

10. Payment of Interest

Under with the Solicitors Accounts Rules you are entitled to interest on monies standing to your credit on client account with Phillips. The minimum figure upon which interest is payable is:

£1000 if held by us for a period of 8 weeks;
£2000 if held for a period of 4 weeks;
£10000 if held for a period of 2 weeks; and

£20000 if held for a period of one week.

We shall account to you for interest upon sums over £20000 held for less than one week if having taken into account all the circumstances we consider it fair and equitable to do so.

We will calculate interest according to the Solicitors Accounts Rules. If the amount is outside those rules, we will calculate interest at the rate available to us for the amount less, for each interest amount when calculated, a fee of £20 to cover administration costs.

Notwithstanding the above unless agreed with you in writing we shall retain interest received on monies standing to your credit on client account in your name with Phillips.

Phillips does not pay interest on payments on account or any payments made by monthly standing order.

11. Other Party's Charges and Expenses

It is important for you to understand that you alone are responsible for paying the bills. In contentious matters only - It is possible that the other party will be ordered to pay your charges and expenses, but:

1. 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 in full; or
2. If the other party receives public funding, you may not get back any of your charges and expenses even if you win.

If any of the above occur, you will have to pay the balance of our charges and expenses.

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 order. Phillips will account to you for such interest if you have paid Phillips's charges and expenses on account, but we are entitled to the rest of that interest.

You will also be responsible for paying the charges and expenses of seeking to recover any charges and expenses that the Court orders the other party to pay.

In some circumstances, the Court may order you to pay the other party's legal charges and expenses. This may be at the end or during the matter. This may happen if, for example, you lose the case, or part of it. The money due to the other party is in addition to Phillips's charges and expenses. You may have insurance to cover our charges and expenses and your liability for the other party's charges and expenses. If not, in some circumstances it would be advisable for you to have insurance to meet the other party's charges and expenses. The Responsible Person can advise further on this issue.

12. Proceeds of Crime Act 2002

As Solicitors, we have an absolute obligation under the Proceeds of Crime Act 2002 to report to the Serious and Organised Crime Agency (SOCA) any knowledge or suspicion relating to or incidental to involvement or association with the Proceeds of Crime (including tax evasion or benefit fraud) and are precluded by law of informing you of the intention to do so until seven days after such report. In the event of such a report being made whether appropriately or not, there shall be no liability to Phillips and in no circumstances any compensation due or payable

13. Money Laundering Regulations 2007

We are required to make compulsory identity checks of our clients in order to prevent us from handling the proceeds of crime, either intentionally or unintentionally. Being asked for identification does not mean you are under suspicion. You will need to show us at least two pieces of identification, at least one piece of evidence must include your full address and postcode.

If you are a corporate client (i.e. a UK limited company) we shall need the above personal identification from at least two directors of the company. If you are a partnership or LLP, we shall need the above personal identification from at least two partners together with satisfactory evidence of trading addresses. If you do not have these documents, you will need to best prove who you are, but if you cannot provide satisfactory evidence, we reserve the right to refuse to act for you. We shall retain copies of all personal identity for a period of five years.

Notwithstanding client privilege rules, it is a requirement to notify any irregularities we consider fit to the Serious and Organised Crime Agency (SOCA). In the event of a report being made, whether appropriately or not, you agree there shall be no liability to Phillips and in no circumstances will compensation become due or payable to you.

In order to comply with the Money Laundering Regulations we may carry out any independent checks and searches at our discretion including credit and Company searches, and you will be responsible for payment of any such disbursements incurred.

14. Storage of Papers and Inspection

Phillips is entitled to keep all of your papers and documents while there is money owing for its charges and expenses.

After completing the work and upon full payment of charges and expenses, Phillips will keep your file except for any papers returned to you. Phillips will store the file for the period set out in the Schedule on the understanding that it has the authority to destroy it on the stated anniversary of the final bill date. We will charge the storage fee but for bulkier files that may increase to a maximum of £100 plus vat. Phillips will not destroy any documents that you request Phillips to deposit in safekeeping.

There is no charge for retrieving papers or documents from storage for continuing or new instructions concerning your affairs. However, there will be a time-based charge at the Responsible Persons hourly rate:

1. Producing stored papers and documents to you or another on your request; or
2. Reading, correspondence or other work necessary to comply with the instructions given by you or on your behalf.

You agree to allow us to disclose privileged and/or confidential information to our advisers, including solicitors, insurers, auditors and any other third party as required by law.

15. Liability

Phillips shall not in any circumstances be liable to you whether in contract, tort or otherwise, for any special, consequential or indirect loss, damage, injury, cost or expenses howsoever arising and of whatsoever nature.

Phillips's total liability (whether in contract, tort or otherwise) under or in connection with any or all instructions received from you shall not in any circumstances exceed £3m for non-contentious work.

16. Termination

You may end your instructions to Phillips in writing at any time. Phillips is entitled to keep all of your papers and documents while charges and expenses remain unpaid.

In some circumstances, you may consider that the Responsible Person ought to stop acting for you. For example, if you cannot give clear or proper instructions on how we are to proceed, or if you have lost confidence in how the Responsible Person is carrying out your work.

Phillips may decide to stop acting for you only with good reason. For example, if you do not pay a bill or an interim bill or comply with a request for a payment on account. Phillips shall give you reasonable notice that it will stop acting for you.

If you or Phillips decide that Phillips will no longer act for you, you will pay all charges and expenses incurred to date as set out above.

17. Communication

We are confident of providing you with a high quality service in all respects. If you have any queries or concerns about our work for you, please raise them with the Responsible Person. It is important that you raise any concerns you may have. The Responsible Person must attempt to resolve any problems that arise from their services. If he/she cannot resolve the problem to your satisfaction or you would prefer not to speak to them, please contact Phillips's client-care Director who will explain our complaints procedure to you. They will then endeavour resolve your concerns.

If you are not satisfied, you have a right to complain to the Legal Ombudsman within six months of receiving a final written response from Phillips about your complaint. Phillips values you and would not wish you to think that you have reason to be unhappy with the service.

Likewise, if you are happy that the Responsible Person has provided you with a high quality service then the Client Care Director would also like to know.

18. Conclusion

After presentation of these Client Care Terms of Business your continued instructions in this matter will amount to your acceptance of these terms of business. Even so, we ask you to sign and date the copy of these terms and return it immediately. We can then be confident that you understand the basis upon which the Responsible Person will act for you.

We hope that these terms address your immediate queries about the handling of your matter and the terms of business.