

CHUNG & CO

SOLICITORS

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TERMS AND CONDITIONS OF BUSINESS

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INTRODUCTION

Chung & Co are authorised and regulated by the Solicitors Regulation Authority under SRA ID No. 570340 and operate in accordance with the SRA Code of Conduct 2011 <http://www.sra.org.uk/code-of-conduct.page>. Our VAT number is GB 431 1452 95.

The expressions “we”, “us”, “our” and “this Firm” mean or refer to Chung & Co. The expressions “you” and “your” refer to our client.

All advice given and/or contracts or other obligations entered into by or in relation to our firm by partners, members, employees or consultants of Chung & Co are made or given by Chung & Co and not by any individual personally.

Our office’s normal hours of opening are 9.00 a.m. to 12.00 p.m. and 2.00 p.m. to 5.00 p.m. Monday to Friday (except bank and public holidays), with lunchtime closure (except for telephone lines) between 12.00 p.m. to 2.00 p.m. In exceptional circumstances, special appointments can be arranged outside office hours.

TERMS OF ENGAGEMENT

These are our Terms and Conditions of Business (“the Terms”) to which you will be subject when instructing us to act for you. The purpose of this leaflet is to inform our clients, including you, of the terms of engagement under which we shall carry out our legal work for them. The terms set out herein will apply to all work we do of any nature whatsoever until and unless otherwise notified by us or agreed (where necessary) in writing with you.

You will receive the Terms together with our Engagement and Client Care Letter (together known as the “Agreement”) setting out specific terms including details of the charges applicable to the matter, in respect of which we act on your behalf and the Engagement and Client Care Letter together with the Terms form the basis of our relationship in this matter. If there is any inconsistency between the terms set out in this document and those in the Engagement and Client Care Letter, the terms in that letter will prevail.

Where we are instructed by two or more individuals, your obligations and liabilities towards us will be joint and several meaning that each of you are fully responsible for compliance as if there is only one instructing client.

If you instruct us on behalf of a company, partnership or other entity (whether formed or to be formed in due course) and our bill is addressed to that entity, you will personally be responsible as principal (as hereby agreed) for payment of all our charges, disbursements, general expenses and VAT if that entity does not pay us promptly.

Having regard to the Unfair Terms and Consumer Contracts Regulations 1999, it is hereby mutually agreed that all the terms and conditions herein contained have been individually negotiated and are binding and effective upon the parties whether individually or collectively.

AUTHORITY AND INSTRUCTIONS

We will take note of your instructions and endeavour to comply with them but subject to our overriding statutory, common law and

professional duties and obligations. We are officers of the court and as such have duties and responsibilities to the court that can override or conflict with a client's instructions on rare occasions.

You may at any time authorise us in writing to act on instructions from a third party on your behalf but at your risk. However, we are entitled to assume that whoever provides instructions to us has actual authority to do so. We may rely on information given to us by that person. Where instructions have been provided on behalf of a body corporate or other organisation or entity we can assume that our terms of engagement have been properly authorised by the board of directors or other appropriate decision making body of the organisation or entity.

Where two or more of you have instructed us jointly, it is on the basis that either or any one of you alone has authority to give us instructions on behalf of the others, unless you give us prior written instructions to the contrary. Each joint client permits us irrevocably to disclose to any other of the joint clients any information which we would otherwise be prevented from disclosing by virtue of our duty of confidentiality. If a conflict of interest arises between joint clients, we reserve the right to terminate or suspend the provision of any or all services in whole or in part to any of the joint clients.

We will only act on your behalf in a matter if we are retained exclusively by you on that particular matter on terms acceptable to us. You are free to instruct other solicitors on other matters if you wish.

We reserve the right to decline instructions, in whole or in part, from you and/or any of your authorised person or persons, if we feel acceptance of such instructions would contradict our respective best interests and/or our said duties and obligations and in such event we will notify you of our decision and attempt to seek a compromise.

RESPONSIBILITY

The person responsible for the day-to-day conduct and the overall supervision of your matter is named in the Engagement and Client Care Letter. In the absence of such person, or if the nature or complexity of such matter so requires, we may allocate such matter to be dealt with or recommend it to be dealt with by another solicitor or other fee earners of this Firm with appropriate knowledge and experience and we shall endeavour to seek your prior consent before making such change.

Where there is more than one fee earner involved in your case, they will often work as a team. This means that, for example, more than one fee earner at a time may attend meetings or deal with it on your behalf, which is not to duplicate work but maximize the use of our manpower. All our solicitors and other fee earners have different functions, skills and responsibilities and we always work as a team to serve the needs of our clients.

OUR SERVICE TO YOU

Upon receipt of your initial instructions, we shall as soon as reasonably practicable confirm in writing:-

- your instructions;
- scope of work;
- charges and expenses likely to be incurred; and
- the persons responsible for your work, their status and hourly rates.

Subject to the full cooperation of you and all the others concerned, we aim to:-

- offer an efficient and effective service focusing on satisfactory outcome to you and all the others concerned;
- conduct our services in a competent and professional manner in accordance with our professional and statutory expectations and obligations;
- respond promptly and keep you well informed; and

- keep a record of all action taken.

SCOPE OF OUR SERVICES TO YOU

We are not authorised under the Financial Services and Markets Act 2000 to give you advice on any financial or investment matters, such as on the relative merits of your chosen mortgage or insurance products or whether the terms of those products are representative of those currently available in the market. You should always seek advice from an appropriate independent financial advisor authorised by the Financial Conduct Authority and not us.

Unless otherwise agreed in writing, we do not normally provide advice on any taxation matters and again you should seek assistance from your accountants and/or tax specialists.

Similarly, we cannot advise you on the laws of any jurisdiction outside England and Wales, unless otherwise agreed from time to time, and you may not rely on any advice we give as being applicable or accurate in relation to any other jurisdiction.

You should consult other suitably qualified professionals for advice on non-legal matters such as the condition of the property, its services and market value, environmental issues.

YOUR DEALINGS WITH US

To assist us in providing our services in this way, it is important for you to provide us with information and documents fully and promptly when we ask for them, as it would facilitate us to act and continue to act efficiently in carrying out your instructions and achieving the desired results.

For information, it may include:-

- a change in details;
- any critical dates;
- giving us as much notice as possible of changes in timescales;
- information in respect of timescales and changes to them;
- any changes in instructions;
- notify us if you do not understand any aspect of the work;
- correct communication details; and/or
- all other matters which you ought to tell us.

For documents, they may include:-

- all original, additional, renewed, amended and/or replaced documents;
- all changes and updates; and/or
- all other documents that you ought to give to us.

THE CLIENT'S CHARTER

Whatever legal service you need, you have the right to be treated with care and professionalism by us. The Client's Charter is your guide to what to expect from us in terms of customer care.

Working together - Whilst we, as your solicitors, have various duties to you as our client, we can only give our best advice and service if the information you give us is accurate and complete.

As your solicitors, we will:

- put your interests first when representing you;
- be polite and considerate in our dealings with you;
- find out from the start what you are hoping to achieve and aim to make sure that your expectations are realistic;
- make every effort to explain things clearly, and in terms you can understand, keeping jargon to a minimum;
- agree with you the type of service you can expect to receive;
- tell you who will be handling your work;
- explain what the costs are likely to be;
- keep you informed of costs throughout so that you can work out if a particular course of action is worth following financially;

- respond to your letters and phone calls;
- tell you about any developments and update you on progress as work proceeds;
- give you a clear bill which shows the work done and the amount charged;
- treat all clients fairly, and not discriminate against anyone; because of his or her race, sex, sexual orientation (sexuality) or disability; and
- keep what you tell us confidential, and refuse to act for anyone else if doing so could compromise that confidentiality.

This is a summary of the main rules and principles that apply to all solicitors.

Please note: Other legal and professional duties may occasionally affect the ability of us to meet all these standards. For example, the legal duty to release information about money laundering or the solicitor's duty to the court can override the duty of confidentiality or the duty to put your interest first.

How you can help us - You can help us to do our best for you by telling us what we need to know and providing documents when we ask for them.

- Please bring all relevant papers with you when we ask to see you. If you are not sure, bring what you think might help us.
- Please tell us if you have any special needs relating to the service you want to receive.
- Please tell us at the start what you expect of us so that we can agree with you what it is possible to achieve.
- Please tell us immediately if your expectations change.
- Please tell us if you have personal time limits or targets which would not be obvious to us.
- Please make sure that you always understand what we have discussed. If you are not sure, please tell us.
- Please contact us quickly if we ask for instructions, documents or information.
- Please tell us if you change address or phone number, or if your circumstances change in a way that may affect the way we deal with your case

CONFIDENTIALITY

It is likely that during the course of the work we undertake, certain information may have to be disclosed to third parties, either for your own interest or in pursuant to our professional or statutory obligations, or both. Where circumstances allow, we shall only do it after discussing the matter with you and, where necessary, having obtained your consent to do it.

In the event of a property transaction where we are also acting for your proposed lender, we have a general duty to fully reveal to it all relevant facts about you, the purchase and mortgage and all material changes. This includes:

- any differences between your mortgage application and information we receive during the transaction; and
- any cash back payments, discount schemes or allowance that a seller is giving you.

A solicitor is under a statutory duty to notify the National Crime Agency ("NCA") if he has reasonable grounds for suspecting that a person may be in possession of any proceeds of crime, as defined in the Proceeds of Crime Act 2002, as amended. In such circumstances and in pursuant to our statutory obligations, we reserve the right to notify NCA of any such suspicion and to apply to them for clearance to proceed with any relevant transaction on your behalf. In those circumstances, we are prohibited from informing you of what we are going to do or what we have done, even though such action may involve or result in delays to any transaction in which you or we may be engaged. Furthermore, any liabilities incurred by such delay or of seeking clearance from NCA are hereby excluded and you are hereby advised that we do not accept any liability for any claims, costs, expenses or demands

howsoever incurred, even if the transaction in question were to be affected or aborted by reason of such delay or notification.

ANTI MONEY LAUNDERING REGULATIONS

There are laws and regulations requiring solicitors to obtain 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 may be targeted by criminals wanting to launder illegal money.

To comply with such laws and regulations, we need to obtain documentation to establish your identity and retain copies of them for future reference. The identification documents required will very much depend upon the client, be they an individual, partnership, company or trust. We shall at the first meeting or start of the matter state what type of identification documents is necessary and advise you to produce them. In the case of an individual client, we will require production for inspection and copying all or some of the following **original** documents:

- your current Passport or Travel Document;
- your UK Immigration Status Document or Residence Permit;
- your current photocard UK Driving Licence, showing your full name and current residential address;
- your NI Card;
- an item of evidence to prove your current address, such as a latest bill for Council Tax, Business Rates, Gas, Electricity, Water or Telephone; and
- your bank statements, both personal and business, and saving or deposit books.

It is essential that they are supplied to us within five days of inception of instructions, failing which we are unable to continue to act for you until they are provided to our satisfaction. We accept no responsibility for any loss or damage or otherwise whatsoever as a result of your delay and/or non-production of any of such documents to us.

If you cannot provide any of such evidence, please tell us and we shall advise what alternative evidence may be acceptable. You hereby warrant to us that all documents produced and to be produced are genuine and accurate without any modification and you undertake to advise us of any subsequent changes and produce all new, amended, replaced or fresh documents, with or without demand, within fourteen days of receipt of the same.

By accepting the Terms and so as to enable us comply with all the relevant laws and regulations, you are deemed to have irrevocably consented to us retaining copies, whether in paper or electronic format or otherwise, all the above documents.

We do not normally accept any funds from you until and unless the identification procedures have been carried out to our satisfaction. Pursuant to recommendations by all relevant statutory or professional bodies, we may use electronic identification service providers to confirm your identity, particularly if you are a non-UK based client, and that of any beneficial owners. It is a pre-condition for our acceptance of instructions from you that you consent to us doing so, on your behalf and on behalf of beneficial owners and at your expense. The fees for these searches are payable by you and will form part of the initial payment for costs and disbursements required from you.

We do not normally accept payments in cash, although we may do so in the case of small amounts. However, all monies or remittances, including cash, are received on your assurance (as hereby confirmed) that they are legitimate monies of yours from your own resources and on the basis of your (joint and several, where applicable) indemnity (as hereby confirmed) in favour of each of our solicitors and/or employees and our Firm as a whole against all actions, losses, claims, costs and expenses arising out of

the receipt, handling, use or otherwise dealing with such monies or any part thereof on your behalf.

STATEMENT OF TRUTH

By signing and returning our Engagement and Client Care Letter, you are confirming that all information given and/or will be given by you or your authorised agents to us during the course of your matter is to the best of your knowledge, information and belief, complete, accurate and up-to-date. You are also confirming that all funds given by you to us, including for our legal fees, disbursements and expenses, are from legitimate sources. You agree to indemnify us against any liability or expense in the event that your confirmations herein are incorrect. You should inform us without delay of any changes which affect any information provided. We will not be responsible for errors or delays in our work or advice caused by inaccuracy or incompleteness in the information supplied to us or by such information being out-of-date.

COMMUNICATING WITH YOU

We may communicate with you and others by e-mail, post, fax and telephone. Unless you advise us in writing to the contrary, we will assume that you are happy for us to communicate with you and/or all the other relevant parties by e-mail or fax, even though they are the least secure and confidential means of communication. We accept no responsibility whatsoever for any loss, damage or consequential loss arising from such means of communications.

All our communications and any documents relating to your matter will be in the English language only, unless expressly agreed in writing by us which shall be at our absolute discretion. If any of our communications and/or documents are requested by you to be translated into a different language, we reserve the right to impose additional charges based on the fee earner's prevailing hourly rate to be advised in the Engagement and Client Care Letter. In any event, if there is any inconsistency in the contents of the English version and translated version, the English version will prevail.

DATA PROTECTION ACT

For the purpose of the Data Protection Act 1998, the data controller is Chung & Co Solicitors of 58/60 George Street, Manchester, M1 4HF and we are registered with the Information Commissioner's Office under Registration No: Z5997752.

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

- updating and enhancing client records
- analysis to help us manage our practice
- statutory returns
- 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 of access at your expense under the data protection legislation to the personal data that we may hold about you but we have no obligation to retain or preserve any information or copies for you.

COMPLAINTS PROCEDURE

We are committed to high quality legal advice and client care. If you are unhappy about any aspect of the service you have received or about our charges, please contact our present Complaints Officer, Mr Stephen Chung, Senior Partner, by telephone on 0161 228 6777, by email at stephen.chung@chungandco.com or by post to "Mr Stephen Chung, Senior Partner & Complaints Officer, Messrs Chung & Co, Solicitors, 58/60 George Street, Manchester, M1 4HF" and mark the envelope "Strictly Private & Confidential". This will help us to maintain and improve our standards.

We have a procedure in place which details how we handle complaints and further information is available upon written request from our Mr Stephen Chung at the above office. We have eight weeks to consider your complaint. If we have not resolved it to our mutual satisfaction within this time you may complain to the Legal Ombudsman. If you are not satisfied with our handling of your complaint, you can ask the Legal Ombudsman (see below) to consider the complaint. You must bring your complaint to the Legal Ombudsman within six months of receiving a final written response from us about your complaint and no more than six years from the date of act/omission or no more than three years from when you should reasonably have known there was a cause for complaint.

What will happen next?

1. The Complaints Officer for the time being will send you a letter acknowledging your complaint and ask you to confirm or explain the details. He will confirm to you that he is dealing with your complaint. You can expect to receive such letter within three working days of our receipt of your complaint.
2. He will record your complaint in our central Complaints Register and open a file for your complaint. He will do this within one working day of receiving your complaint.
3. He will acknowledge your reply and confirm what will happen next. You can expect to hear from him within two working days of your reply.
4. He will then start to investigate your complaint. This may involve one or more of the following steps:
 - If our Mr Stephen Chung, Senior Partner & Complaints Officer, acted for you, he will consider your complaint. He will then send you his detailed reply or invite you to a meeting to discuss the matter. He will do this within the following ten working days.
 - If someone else acted for you, the Complaints Officer will ask that person to give him his reply to your complaint within the five working days. He will do this within a working day and then examine their reply and the information in your complaint file. He may also speak to the person who acted for you. The Complaints Officer will do this within 3 working days of receiving his reply and the file.
5. The Complaints Officer will then write inviting you to meet and discuss with him and hopefully resolve your complaint. He will do this within 3 working days.
6. Within two working days of the meeting, the Complaints Officer will write to you to confirm what took place and any solutions he had agreed with you. If you do not want a meeting or it is not possible, the Complaints Officer will send you a detailed reply to your complaint. This will include his suggestions for resolving the matter. The Complaints Officer will do this within five working days of completing his investigation.
7. At this stage, if you are still not satisfied, you can let the Complaints Officer know. We will then arrange to review the Complaints Officer's decision. This may happen in one of the following ways.
 - The Complaints Officer will review the decision himself within five days.
 - The Complaints Officer will arrange for someone who is not connected with the complaint to review his decision. The Complaints Officer will do this within 10 days.
 - The Complaints Officer will ask his local Law Society or another local firm of solicitors to review your complaint within 10 days. The Complaints Officer will let you know how long this process will take.
 - The Complaints Officer will invite you to agree to independent mediation within 5 days. The Complaints Officer will let you know how long this will take.

8. The Complaints Officer will let you know the result of the review within five days of the end of the review. At this time the Complaints Officer will write to you confirming the Firm's final position on your complaint and explaining his reasons.
9. In exceptional circumstances in which you are still dissatisfied after referring the matter to the Complaints Officer, you may wish to address the matter to the Legal Ombudsman. Their address is PO Box 6806, Wolverhampton, WV1 9WJ (Tel: 0300 555 0333; Email: enquiries@legalombudsman.org.uk; Web: www.legalombudsman.org.uk).

If any of the timescales above have changed, we will let you know and explain why.

If you raise concerns about an invoice, the Solicitors Regulation Authority requires solicitors to inform clients that they may also have the right to object to the invoice by applying to the court for an assessment of it under Part 3 of the Solicitors Act 1974. During any period for which all or part of any invoice remains unpaid whilst a complaint is dealt with, the firm is usually entitled to charge interest.

OUR LIABILITY TO YOU

You are our client and our advice is to you alone (or, in the case of joint clients, to each of the joint clients), and solely in respect of the matter under which the relevant advice is given. Third parties may not rely on our advice unless we specifically agree in writing that they may do so, and you may not rely on advice given in previous matters as being applicable to other or later matters.

We accept no liability to any third party to whom you provide our advice or who relies on that advice. In the event of any third party bringing a claim against us in relation to any of our advice which you have provided to them (directly or indirectly) or instructed us to provide to them, then you agree to indemnify us in relation to such claim.

Where we instruct or liaise with other professional advisors on your behalf, including overseas advisors, we will not be responsible for the appropriateness or accuracy of the advice given by them, or for payment of their costs, fees and expenses.

We accept no liability for any failure to provide services or advice in relation to any issue which falls outside the scope of our engagement. We accept no responsibility to notify you of, or of the consequence of, any change in the law (or in its interpretation), or of any other event which occurs outside the scope of our engagement, or after the date upon which the relevant service or advice is provided.

We will not be liable for any loss of profit, or any indirect loss or damage suffered (including, for the avoidance of doubt, any loss of opportunity, income, accruals or production) in relation to the provision of any services or advice by us.

Nothing in this Agreement will restrict or exclude our liability to you for death or personal injury resulting from our negligence, or in any other circumstances where our liability may not be so limited under any applicable law or regulation (for example, if there is any fraud on our part).

If you accept any exclusion or limitation of liability from any of your other professional advisors, then our liability to you will not exceed the amount for which we would have been liable after deducting any amount which we would have been entitled to recover pursuant to the Civil Liability (Contribution) Act 1978 or otherwise, but are prevented from doing so because of any such exclusion or limitation.

Chung & Co alone will provide the services to you. You agree that you will not bring any claim, whether in contract, tort, negligence

or for breach of statutory duty or otherwise against any member, or Partner of, consultant to, or employee or agent of Chung & Co.

The extent of our liability to you will be limited to the amount specified in our Engagement and Client Care Letter or, if no sum is specified, the amount of our professional indemnity insurance limit at the time any claim is notified to us.

We currently carry Professional Indemnity Insurance in the sum of Two Million Pounds (£2,000,000.00) including that which we are required to have by the Solicitors Regulation Authority. We maintain professional indemnity insurance (Policy No: PI13AM05144) for the minimum required by the Solicitors Regulation Authority – further details on request. Our primary insurer is Am Trust Europe Limited, No. 2, Minister Court, Mincing Lane, London, EC3R 7BB

By instructing us, you irrevocably agree that the amount that we shall be liable to pay to you, in total, on any claim or linked series of claims shall not exceed the sum of £2,000,000. If you do not consider this amount adequate and require a higher limit of indemnity, we may be able to purchase additional cover from our insurers, but this will be at an additional cost payable by you. If this is what you require, you should notify us immediately in writing.

Monies paid to us (other than wholly for payment of our invoice or disbursements) are paid into our Clients Account as regulated by the Solicitors Regulation Authority, the SRA Code of Conduct 2011 and the SRA Account Rules 2011.

We bank with The Royal Bank of Scotland Plc and have notified the bank that we deposit monies from multiple clients into a single account. On this basis, each client has Bank of England protection under the Financial Services Compensation Scheme in case of a bank collapse, which is currently £75,000.00 (or such other amount as may be in force from time to time). We will not be liable to any client for any monies lost by virtue of a bank collapse, failure or any similar event, nor will we be liable for any consequential loss arising resulting from an inability to withdraw such funds, other than may be prescribed by law or by the Solicitors Regulation Authority.

INSURANCE MEDIATION

This firm is not authorised by the Financial Conduct Authority. However, we are included on the register maintained by the Financial Conduct Authority under Reference: DPB LS570340 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 website at www.fsa.gov.uk/register.

The Law Society is a designated professional body for the purposes of the Financial Services and Markets Act 2000 but responsibility for regulation and complaints handling has been separated from the Law Society's representative functions. The Solicitors Regulation Authority is the independent regulatory body of the Law Society and the Legal Ombudsman is the independent complaints handling body of the Law Society.

INCIDENTAL INVESTMENT BUSINESS

If during this transaction 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.

If you have any problem with the service we have provided for you then please let us know. We will try to resolve any problem

quickly and we operate an internal complaints handling system to help us to resolve the problem between ourselves. If for any reason we are unable to resolve the problem between us, then the Solicitors Regulation Authority and the Legal Ombudsman provide complaints and redress mechanisms.

We are able to undertake a wide range of services on behalf of our clients. Should you need legal advice with regard to any matters, please feel free to contact the person who is acting on your behalf or indeed any other member of the Firm who will be able to refer you immediately to someone who has experience in that area.

FEES - GENERAL

Our charges will normally be calculated by reference to the time spent in dealing with your case or transaction unless otherwise indicated to you in writing. If so, all fee earning members of staff are required to record any time they spend in working on your case or transaction and this would include attending upon you and others, legal research, perusing and considering documents, correspondence, drafting and negotiating documents, engaging in telephone calls, travelling, waiting time, project management, taking proof of evidence, instructing experts and other agents, preparation of any detailed case management plans, budgets or costs calculations, file opening and compliance procedures, file reviews, preparing attendance notes and providing copies of documents to you. Letters and emails written and telephone calls are usually charged on the basis of six minute units and should, for example, a telephone call last more than six minutes then the charge will increase based upon increments of further six minute units. Incoming letters and emails will be charged on the basis of a 3 minute unit unless the letter and accompanying documents exceed 2 pages in which case they will be charged at 3 minute units per page. Each fee earner at this practice has a given hourly rate and these rates are reviewed annually every April or at other intervals to be notified. You will be advised in advance of any increase in the hourly rate to be charged by the fee-earning members of staff acting on your behalf.

The hourly rate includes an estimate of the uplift for what is generally called the "care and conduct" aspect of the charge. This may vary, and is usually dependent upon:

- The degree of urgency in your case or transaction
- The complexity of your case or transaction
- The importance of your case or transaction
- The amount of any money involved in your case or transaction
- The skill and experience of the solicitor.

If your instructions mean we have to work outside normal office hours, we reserve the right to increase the level of the hourly rate/s. You will be notified in writing of any rate increase.

In certain commercial transactions, we may agree to base our charges upon a percentage of the value of the transaction. In property transactions, in the administration of estates and in certain commercial transactions or in transactions involving a large amount of money or benefit to the client, we may base our charges on the time spent and by referring to a value element, such as the price of the property, the size of the estate or the value of the financial benefits. The value element reflects the importance of the transaction and responsibility placed on the Firm and we will write to you separately if the value element will apply to your case. In other cases, we may agree to base our charges upon a percentage of any compensation recovered on your behalf. You will be advised in writing at the outset of your matter of the fees to be charged.

VAT

Each fee earner's hourly charging rate at this Firm is exclusive of VAT (at the prevailing rate) and this will subsequently be added to all invoices.

DISBURSEMENTS

Disbursements are fees that we have to pay to third parties on your behalf. Examples of these are surveyor's fees, court fees, barristers' fees, experts' fees, search fees, Land Registry fees, probate fees, travel, accommodation etc. We are entitled to assume that you have authorised us to incur disbursements in the course of our engagement unless you specifically instruct us otherwise. These (together with any applicable VAT) will be payable by you in addition to our fees, and may in some instances be billed separately. We have no obligation to meet such payments on your behalf unless we have received from you monies in respect of the disbursements and therefore you will normally be requested to make payment of the disbursements before we incur it or pay it. Where working outside normal business hours is required, we reserve the right to charge for costs incurred in providing reasonable sustenance and taxi or other appropriate travel arrangements for our personnel.

GENERAL EXPENSES

General Expenses are estimated and not actual expenses incurred on your behalf, such as postages, telephone, fax, internet, photocopying, photographing and bank remittance charges. In some cases and same as for costs on account, we may request our clients to pay a deposit before commencement of work. VAT is also payable on such expenses.

ESTIMATES

Where we provide you with an estimate of the likely overall cost, this is only intended as a general guide and should not be regarded as a fixed quote unless we specifically agree a fixed fee in writing with you. It is often difficult to estimate how many hours of work will be necessary to complete your case or transaction. In the Engagement and Client Care Letter accompanying the Terms, you will be provided the best possible estimate possible about the likely overall costs but if the amount of work is greater than first envisaged, we will inform you as soon as possible and will keep you regularly advised in respect of the level of costs which you will incur during your case or transaction. Whenever feasible, we intend to notify you every three months of the costs incurred to date and provide you with a new estimate for future costs which will be incurred.

You will need to consider carefully how the fees and expenses will be paid if the matter proves to be abortive and does not complete. We will advise you if in our opinion the proposed transaction is not in your best interests, irrespective of the position on fees and costs. It is important that you retain ability to walk away from the transaction if it is disadvantageous and we would ask you always to keep that in mind and to keep an open mind as to the merits of the transaction. We would also remind you that in respect of commercial considerations, we offer a service as solicitors rather than business advisors and our advice will be directed to the legal issues rather than accepting responsibility for forming a commercial judgment.

YOUR AGREEMENT TO INDEMNIFY US

You agree to indemnify us against any liability or expense, which we are legally obliged to pay or incur as a result of acting for you.

PAYMENT TERMS

It is normal practice to ask clients to make payments on account of anticipated costs and disbursements and indeed interim bills are likely to be delivered to you. We will send a final bill after completion of the work or with a completion statement prior to completion in a property or commercial matter. If you have any query about your bill, you should contact the fee earner acting on your behalf straight away. Payments made on account of anticipated fees and disbursements will be used against invoices that we deliver to you from time to time.

All invoices should be settled within a maximum period of twenty-eight days from the date on the bill, if not sooner. We do not have

any facility for acceptance of payment by credit or debit card and payment should only be made by cheque or banker's draft. In the event of payments being requested and not paid within that limit, we reserve the right to suspend work on all matters where we are acting on your behalf, until we receive payment from you, plus, where necessary, a further payment on account. Interest will be charged on bills (currently at 8% over base), which are not paid within that time at the default rate under the Late Payment of Commercial Debts (Interest) Act 1998. This interest will be charged on a daily basis. Payment of all costs, fees, disbursements and expenses shall normally be made by cheque or, where necessary, banker's draft payable to "CHUNG & CO" or bank transfer remittance, in urgent cases.

An administration fee of £35.00 plus VAT will be charged for each reminder we have to send to you, whether by post, fax or email, for any outstanding monies due to us. An administration fee of £35.00 plus VAT will also be charged for each returned and/or unpaid cheque, for whatever the reason for or purpose of the payment. All such further fees shall be treated as outstanding legal fees and be subject to penalty interest and our right of lien.

RETAINER

You may terminate your instructions to us in writing at any time but we will be entitled to our solicitors' right of lien by keeping all your papers and documents whilst there is money owing to us for our charges, disbursement, general expenses and penalty interests.

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

We may decide to stop acting for you only with good reason. For example, if you do not comply with our payment terms; if you do not put us in funds to enable us to complete a matter or pay disbursements where requested; your misconduct or dishonesty in providing instructions; if you ask us to act in an improper or unreasonable manner; if you and/or persons connected with you and/or this matter are found to be prejudicial to our statutory and professional duties and obligations and above all, if there is any conflict of interests between you and us. We will give you as much notice as circumstances permit that we are to stop acting for you.

If you or we decide that we no longer act for you, you will have to pay our charges on an hourly basis plus all disbursements and general expenses as set out in the Terms and in any letters that have been sent to you up to that date.

LIEN

Solicitors are entitled to exercise their professional right to retain papers and property belonging to the client pending payment of their professional costs and disbursements owed by that client where the retention is proper exercise of a solicitor's lien. It would normally be acceptable for these papers to be transferred to the client's new solicitor upon receipt of a satisfactory undertaking from that new solicitor in respect of the outstanding costs.

STORAGE OF PAPERS AND DOCUMENTS

At the conclusion of the matter, your file of papers will be placed in storage, either within or outside our office, scheduled for a minimum of 6 years, or other longer period if we think fit, after which it will be destroyed without any further notice and/or liability to you whatsoever. If there are any documents which you wish to have returned to you or indeed if you wish to retain the file of papers, you should advise us in writing which should be posted by recorded delivery within thirty days of the conclusion of the matter. If we retrieve papers or documents from storage in relation to continuing or new instructions to act in connection with your affairs and/or for the purpose of returning to you or transferring to another solicitor, we may well have to make a charge (minimum

£55.00 plus VAT for each file or matter for our handling fee and a further minimum sum of £20.00 plus VAT for each file or matter for photocopying (up to 30 pages and any extra page to be charged at £0.30 plus VAT per page), packaging and second class recorded delivery postages but up to £5.00 only) based on time spent at the hourly rate of our fee earner concerned for retrieving stored papers or documents for you or your agents. We may also charge on the same basis for reading, corresponding or other work necessary to comply with the instructions given by you or on your behalf. All such additional fees must be paid upfront and in clear funds before we are obliged to take any action.

All deeds and wills are stored in a safe and secure environment and we retain a database of all deeds and wills in our possession.

In any event, all papers, documents, title deeds, wills and all other items are being stored upon the following conditions which are deemed to have been accepted by the clients concerned:

1. At the client's request and at his own risk without any responsibilities on us to insure them against any risk or peril or pay any compensation for whatever reason, save for wilful destruction or damage;
2. To be returned to and collected by the client upon twenty one days written notice from us, for whatever reason, to be sent to or left at the client's last known address and failing delivery or collection to be disposed of by us in such manner as we shall in our absolute discretion decide with no responsibilities accepted whatsoever; and
3. To be collected only by the client concerned or his duly authorised agent upon production of his written authority of his personal representatives.

As regards all conveyancing searches, such as Local, Environment, Mining, Water & Drainage, Chancel, Company, Land Registry and Land Charges, unless we have had your written request to take away all the original searches and results, you are deemed to have authorised us to retain them on your behalf together with the title deeds and you do not require any copies to be supplied.

INTEREST PAYMENT POLICY AND WAIVER AGREEMENT

INTEREST PAYMENT RULES - Under Part 3 (Interest) of the Solicitors Regulation Authority Account Rules 2011 (Effected from 06.10.2011 - copy obtainable from www.sra.org.uk/accounts-rules/), the following Rules provide:-

Rule 22: Interest must be paid when a solicitor holds money in a client account for a client, or for a person funding all or part of the solicitor's fees, or for a trust, the solicitor must account to the client or that person or trust for interest when it is fair and reasonable to do so in all the circumstances. Firms can apply a *de minimis* by reference to the amount held and period for which it was held. Any *de minimis* will need to be set at a reasonable level and regularly reviewed in the light of current interest rates. Interest will usually be accounted to the client at the conclusion of the client's matter, but in some cases at intervals throughout.

Rule 22.2 A solicitor is NOT required to pay interest:

- (a) on money held for the payment of a professional disbursement, once counsel etc. has requested a delay in settlement;
- (b) on money held for the Legal Services Commission;
- (c) on an advance from the solicitor under Rule 14.2(b) to fund a payment on behalf of the client or trust in excess of funds held for that client or trust;
- (d) **if there is an agreement to contract out of the provisions of this rule under Rule 25;** or
- (e) if money is held on instructions under Rule 15.1 (a) in a manner which attracts no interest.

Accounts opened in the client's name under Rule 15.1(b) (whether operated by the solicitor as signatory under Rule 10) are not subject to Rule 22, as the money is not held by the solicitor. All interest earned belongs to the client.

A client, including one of joint clients, or a person funding all or part of the solicitor's fees, may complain to the Legal Ombudsman if he believes that interest was due and has not been paid, or that the amount paid was insufficient. The client (or other person) should try to resolve the matter with the solicitor before approaching the Legal Ombudsman.

Rule 23: Amount of interest (*"must be a fair and reasonable sum calculated over the whole period for which the money is held"*) The sum paid by way of interest need not necessarily reflect the highest rate of interest obtainable. A firm's policy on the calculation of interest will need to take into account factors such as:

- (a) the amount held;
- (b) the length of time for which cleared funds were held;
- (c) the need for instant access to the funds;
- (d) the rate of interest payable on the amount held in an instant access account at the bank/building society where the client account is kept;
- (e) the practice of the bank or building society where the client account is kept in relation to how often interest is compounded.

Rule 13.8 requires that money held in a client account must be immediately available, even at the sacrifice of interest, unless the client otherwise instructs, or the circumstances clearly indicate otherwise. The need for access can be taken into account in assessing the appropriate rate for calculating interest to be paid.

Rule 24: Interest on stakeholder money

When a solicitor holds money as stakeholder, the solicitor must pay interest on the basis set out in Rule 22 to the person to whom the stake is paid, unless the parties have contracted out of this provision (see Rule 25.3). A solicitor is entitled to make a reasonable charge to the client for acting as stakeholder in the client's matter. The solicitor may, upon written agreement with the client, retain the interest on the deposit to cover his charges for acting as stakeholder if it will provide a fair and reasonable payment for the work and risk involved in holding a stake.

Rule 25: Contracting out (*The SRA have adopted an outcomes-focused approach allowing firms the flexibility to set their own interest policies in order to achieve a fair outcome for both the client and the firm*)

The solicitor and the client may by a written agreement come to a different arrangement as to the matters dealt with in Rule 22 (payment of interest). The solicitor must act fairly towards clients when entering into an agreement to depart from the interest provisions, including providing sufficient information at the outset to enable them to give informed consent. Factors to be taken into account when assessing reasonableness and fairness include the size of the sum involved and the nature, status or bargaining position of the client. Contracting out which on the face of it appears to be against the client's interests is permissible where the client has given informed consent.

By instructing us, you confirm that you have read and understand the Rules and accept the below facts and agreement which are binding on you:

1. that you have received a copy of this policy and you fully understand your entitlement to interest on monies deposited with the Firm in accordance with such Rules and our entitlement to charge for all services rendered including accounting;
2. that in consideration of our agreement to hold your monies at your request without any additional legal fees and expenses, you have instructed us not to open any bank account and deposit such monies into it and you have waived unconditionally all interests on such deposit earned or otherwise could have been earned, if any, in our favour for our own use and benefit. However, you are entitled to cancel this Agreement by giving you seven working days written notice, and thereafter all interests, if any, will accrue for your benefit unless we decline to hold anymore money for you, or other mutually agreed arrangement reached in writing between us; and
3. that we have duly advised you to seek independent legal and/or other professional advice before accepting this

Agreement but you have declined to do so as you do agree to us keeping all such interests.

LEGAL EXPENSES INSURANCE ("LEI") AND AFTER THE EVENT INSURANCE ("ATE") (CONTENTIOUS WORK ONLY)

LEI could be used to help pursue claims in certain circumstances. We recommend that you check any insurance policies you hold, for instance household insurance policies, to ascertain whether you have any such cover.

ATE is insurance in relation to an existing claim, and may cover costs which you have to pay to the other side and your own costs which you pay to us. Such cover may be available, and is generally available only for cases with a good prospect of success. If such insurance is available, we will discuss with you whether it is appropriate in your particular case.

LIABILITY FOR AND RECOVERY OF COSTS (CONTENTIOUS AND NON-CONTENTIOUS WORK)

In the event that you are successful in your claim, it may be that you will be entitled to payment of your costs by someone else. Any recovery of costs from your opponent or another person is likely to be less than the amount you are liable to us. You may be able to claim interest on any of your costs which a court orders the other party to pay.

Your opponent may not be capable of paying or willing to pay any costs awarded in your favour. You will be responsible for paying our invoices in full, regardless of whether and how much you recover from the other party. You will also be liable for any costs incurred in trying to recover any costs from the other party.

Where you are insured against all or part of our legal costs for which you are liable, you remain primarily responsible to pay those costs. Unless we agree otherwise in writing, we will invoice you for our costs in the normal way, as if you were not insured. It is then your responsibility to make a claim against your insurer. Whether you are VAT registered or not, you will still be liable to pay the VAT element of our costs in any event.

Once court proceedings are commenced and sent to (or served on) your opponent or received by you, you become potentially liable for their costs if you subsequently discontinue your claim or your action is struck out or is unsuccessful.

Where another party has agreed to pay for or make a contribution towards your legal costs or other legal costs you are liable for, you are responsible for payment of those costs in full, regardless of whether or how much you recover from that party. It is your responsibility to make a claim against that party to recover those costs. You will be liable for any costs incurred in trying to recover any costs from that party.

CONVEYANCING QUALITY SCHEME ("CQS") (RESIDENTIAL PROPERTY TRANSACTIONS ONLY)

Chung & Co is accredited as part of the Law Society's Conveyancing Quality Scheme. The Scheme is designed to improve transparency of transactions, raise service levels and provide better communication and a more efficient process. To achieve this, we need your authority to enable us to share information with other parties involved in this transaction and any related chain of transactions.

By signing and returning our Engagement and Client Care Letter, you will be confirming that we have your authority to provide information to other parties in accordance with the Law Society Conveyancing Protocol. If you do not wish us to do so, please specify your objection when you sign and return the letter to us.

EQUALITY AND DIVERSITY

We are committed to promoting equality and diversity in all of its dealings with clients, third parties and employees and we welcome suggestions for improvement. A copy of our Equality & Diversity Policy is available upon request.

BRIBERY

We are committed not to offer or accept bribes in accordance with the Bribery Act 2010 and welcome suggestions for improvement. A copy of our Bribery Policy is available upon request.

COPYRIGHT REMAINS WITH US

We retain copyright in documents prepared by us.

CONSUMER CONTRACTS (INFORMATION, CANCELLATION AND ADDITIONAL CHARGES) REGULATIONS 2013

Under the above regulations, for some non-business instructions, you may have the right to withdraw if our contract to provide you with legal services is concluded prior to meeting you. This right to cancel without charge will subsist for 14 days after the contract was concluded. However, if we start work with your consent within that period, you lose your right to withdraw. Notice of cancellation should be sent by post to the responsible fee earner named in our Engagement and Client Care Letter. Unless we advise you specifically otherwise, our retainer is likely to last more than 30 days.

By signing and returning our Engagement and Client Care Letter, you are agreeing that, to avoid delay in the progress of your matter, we may start work on your behalf immediately and not have to wait for the cancellation period to expire.

We ask that you sign and return the attached copy of our Engagement and Client Care Letter by way of confirmation of your instructions to us and acceptance of the contents of that letter including the Terms. However, compliance with this formality does not affect the legality of this non-contentious business agreement which shall be deemed to be in place and effective 48 hours after we have sent that letter and the Terms to you, or in reliance upon them we have commenced work on matters in accordance with your instructions, whichever is the sooner.

FORCE MAJEURE

We will not accept any liability for any delay or failure to fulfil our obligations under this contract as a result of causes beyond our reasonable control. Such causes include but are not limited to fire, floods, acts of God, acts and regulations of any government or authority, war, riot, acts of terrorism, epidemic, pandemic, strikes, lockouts, failures by third party utility providers (including internet or third party server failure), and industrial disputes.

NON-CONTENTIOUS BUSINESS AGREEMENT, APPLICABLE LAW AND JURISDICTION

The Terms constitute our entering into a “non-contentious business agreement” with you made in England and Wales and they will be governed and interpreted in accordance with English law and the English courts will have exclusive jurisdiction over any dispute which might arise under out of or in connection with it.

THIRD PARTY RIGHTS

No person or entity who is not a party to this Agreement will have any rights under the Contracts (Rights of Third Parties) Act 1999 or otherwise to enforce any right under the Agreement.

NOTICES AND COMMUNICATIONS

We may contact you during the course of the Agreement by any means (whether in writing, by fax, using electronic communications or otherwise). For the purposes of the Agreement, any notice or communication which we send to you will be treated as being received:

- (a) if delivered personally, at the time of delivery; or
- (b) if sent by fax or email, at the time of transmission; or
- (c) if sent by post or recorded delivery, 48 hours after posting; or
- (d) if sent by airmail, 72 hours after posting.

We do not accept the service of formal notices or communications by fax or email and any formal notice or communication required to be given to us under or in connection with the Agreement must be in writing and be delivered to us personally or sent by prepaid first class post or recorded delivery to our office.

Any such formal notice or communication shall be validly served upon us only when we actually receive it.

ENTIRE AGREEMENT

The Agreement constitutes the entire agreement between us. You confirm that you have not entered into the Agreement on the basis of any statement, representation (including any misrepresentation), warranty or other provision relating to the subject matter of the Agreement which is not expressly incorporated into the Agreement, provided always that nothing shall operate to limit or exclude any liability for fraud.

SEVERABILITY

If any term or condition of the Agreement is found by any court of competent jurisdiction to be invalid, illegal, or otherwise unenforceable, that provision shall, to the extent necessary, be severed and shall be ineffective, but without affecting any other term of the Agreement and you agree that we may substitute and rely upon effective provisions in a form as similar to the ineffective provisions as is possible without thereby rendering them illegal, invalid or unenforceable.

NON WAIVER

Any failure by Chung & Co to insist upon the strict performance of any term of this Agreement, or any failure or delay by Chung & Co to exercise its rights or remedies (whether under this Agreement or at law) shall not be or be deemed to be a waiver of any right which Chung & Co may have to insist upon the strict performance of the terms of this Agreement or of any of its rights or remedies in respect of any default under the terms of this Agreement.

YOUR ACCEPTANCE OF THESE TERMS AND CONDITIONS

Your further instructions in relation to any matter will amount to an acceptance of these terms and conditions as applying to that matter. However, we shall be grateful if you will sign below to confirm your acceptance so that we have a clear record of the terms of our agreement and are able to proceed with the work:

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