

STANDARD CLIENT

TERMS OF BUSINESS

TERMS OF ENGAGEMENT

Effective from 1 April 2018.

1. STEPIEN LAKE LLP

Stepien Lake LLP is a limited liability partnership registered in England, registration number OC240296. The registered office is at 43 Welbeck Street, London W1G 8DX. Stepien Lake is a law firm and authorised and regulated by the Solicitors Regulation Authority (SRA). SRA number 532987.

2. ACCEPTANCE

Upon acceptance, these terms of engagement, together with and subject to any letter of engagement with which they are issued (together "Terms"), constitute the terms of the agreement between Stepien Lake ("SL") and you for the provision of legal services. The Terms (as amended from time to time) will apply to all future instructions you give to us whether in connection with the matter identified in the engagement letter or any other matter upon which you instruct us (unless you and we agree in writing modifications at the time of the relevant engagement) and we may take your continuing instructions in any matter as your acceptance of them.

The Terms may not be varied except in writing, signed by a Partner of SL, save for variations that result from any changes in law or in the rules and regulations laid down by the Solicitors Regulation Authority (SRA) which regulates the professional conduct of solicitors.

3. OUR AUTHORITY

We have full authority to act on your behalf in relation to all matters necessary or incidental to our engagement. This includes our authority insofar as reasonably necessary:

- (a) to incur expenses for the proper conduct of the work which are for your account; and
- (b) to engage law firms in other jurisdictions; and
- (c) to engage barristers, solicitors and other professionals and agents.

We will first consult with you and gain your approval before we engage any law firms, barristers, solicitors or other professionals and agents.

We may require you to enter into agreements directly with such law firms, barristers, solicitors or other professionals and agents and to be directly responsible for payment of their charges. We will not be liable to you for the negligence, acts or omissions of any such persons.

4. RESPONSIBILITY FOR YOUR MATTERS

The Matter Partner at SL who signed or is identified in the letter of engagement or who has otherwise been notified to you will be the partner primarily responsible for the work for your matter. The Matter Partner will also ensure that the varied skills and expertise of SL are allocated effectively and appropriately to the matter. Additionally, there may be a Client Partner who is responsible for our overall relationship with you.

We will consult you on any proposal to change the designated Matter Partner or Client Partner.

5. CONFLICTS

We will consult you if your Matter Partner and/or Client Partner becomes aware of any new instructions we receive which may conflict with a matter on which we are engaged by you.

If we become aware of a conflict of interest that prevents us from continuing to act for you, we will inform you immediately and we will assist you in finding new legal advisers and provide an effective transfer to your new legal advisers. You agree to pay our reasonable fees and expenses to the date of any such transfer.

Unless we have a conflict of interest we are free to act for any other client.

6. BENEFIT OF ADVICE

Unless otherwise expressly agreed by us in writing, any advice given by us in the course of our engagement:

- (a) is exclusively for your benefit;
- (b) may not, without our prior written consent, be:
 - (i) relied on by another person;
 - (ii) disclosed by you, except to your employees or agents who normally have access to your papers and records on the basis that they will make no further disclosure; or
 - (iii) quoted or referred to in a public document or published in any publication;
- (c) is strictly limited to the matters stated in it and does not apply by implication to other matters;
- (d) is limited to the laws of England and Wales as applied by the courts of England and is given on the basis that it will be governed by and construed in accordance with the laws of England and Wales; and
- (e) is given as at the date of delivery of the letter or other oral, written or electronic communication containing that advice.

Unless we have expressly agreed otherwise in writing, we will not be bound:

- (a) to notify you of any changes in the law following the date on which the advice was given; nor
- (b) to remind you of or to monitor any time limits, deadlines, dates or events.

No third party has the right under the Contracts (Rights of Third Parties) Act 1999 to enforce any of the provisions of the Terms.

7. CONFIDENTIAL INFORMATION

We will not disclose to any other person any confidential information which we obtain as a result of acting for you, except as may be required in order to carry out your instructions or to comply with any overriding legal or professional obligations we may have to the Court or otherwise.

We will not disclose to you any confidential information that we have obtained as a result of acting for any other client but if you acquire any such information as a result of our engagement you agree not to disclose it to any third party or use it for your own purposes except with our prior written consent.

We will obtain your prior written consent before we refer to your name in any published materials provided we do not thereby disclose any information that is confidential.

8. FEES AND EXPENSES

The following charging arrangements are subject to any specific agreement set out in our letter of engagement or otherwise agreed in writing with your Matter Partner or Client Partner.

8.1 Professional fees

Our fees are governed by law. The main provisions are the Solicitors' (Non-Contentious Business) Remuneration Order 2009 and section 56 of the Solicitors Act 1974 which allow us to take into account a number of factors in setting our fees.

These factors include the complexity of work, its value, urgency, sustained periods of work outside normal business hours, particularly specialised knowledge or complex or novel questions and the time spent on the matter.

- 3. In transactional matters (such as sales, purchases, lettings) our charges would normally be calculated by reference to a percentage of the consideration (sale/purchase price/ capitalised rent). We may offer a fixed or capped fee which will be based on assumptions and conditions. Any work outside this agreed scope and for all work not

subject to a fixed or capped fee we will charge for the time spent at our hourly rate. In non-transactional matters, we generally calculate fees on the basis of time spent by individuals at specific hourly rates.

Our standard charge out rate is £395 for partners and £200-£350 for assistants and senior associates. Our hourly rates may change from time to time and you will be informed when this occurs.

Our rates for your matter are as set out in the letter of engagement or may be obtained from your Matter Partner upon request.

We are obliged to supply you with the following information pursuant to the Solicitors Remuneration Order 2009.

Interest is payable one month from delivery of a bill:

- (a) For non-contentious work at the rate currently payable on judgement debts pursuant to the Solicitor' (Non-contentious Business) Remuneration Order 2009.
- (b) For contentious work at 4% above the Bank of England base rate at the date of the bill.

You have the following rights in relation to this bill of costs:

- (c) Non-Contentious Work - The firm has a fair and effective complaints handling policy in place and if you are unhappy with your bill you may write to the client partner.
- (d) Contentious Work – Assessment - You have the right to apply to the court for assessment of the bill under s. 70, 71 and 72 of the Solicitors Act 1974 as mentioned above.

We should point out that in the event of you seeking to apply for an assessment of costs it is possible that you might yourself incur costs if it was found upon the assessment that our bill of costs had been reasonable.

8.2 Estimates

When we receive instructions from you, we can provide you with an estimate as to the likely

costs, based on the factors referred to above and the information available to us at the time. You should not regard an estimate as a firm quotation, unless we expressly say it is. We will advise you as soon as practicable if we believe that the anticipated level of fees will exceed the amount of our estimate.

8.3 Administrative services & other fees

We will charge you at our standard rates for administrative fees including photocopying, scanning, printing and binding, facsimile transmissions, electronic transmission of funds, grossment fee, notice fee etc.

We will not charge for work done by secretarial or other administrative staff except where your matter requires us to engage those staff in necessary overtime work.

Our standard charges for such administrative and other fees may be obtained from your Matter Partner upon request.

8.4 Disbursements and admin fee charges

You agree to reimburse us for all and any disbursements that we reasonably incur on your matter. These disbursements and fees may include by way of example:

- (a) fees of law firms in other jurisdictions;
- (b) barristers' fees;
- (c) experts' fees;
- (d) agents' fees;
- (e) government and local authority fees (including search fees), duties and registration charges;
- (f) travelling and accommodation expenses;
- (g) international postage and courier charges;
- (h) external photocopying, scanning, printing and binding; and
- (i) SDLT processing charges which are currently £70 plus vat.

8.5 Travel and accommodation

Travel and accommodation of professional staff engaged on your matter will, unless otherwise agreed, be booked by us through our usual travel agents and charged to your account.

8.6 VAT

Our hourly rates, bills, quotations and estimates are exclusive of all applicable VAT (at the appropriate rate) and disbursements.

9. BILLING

9.1 Issue of bills

In transactional matters, we will normally render our bill on completion. However, if the matter is not completed within two months, we will have the right to issue on account bills monthly or at such other intervals as may be agreed between us and a final bill on completion or termination of your matter. In non-transactional matters we will have the right to issue monthly bills, although we may elect to render bills less frequently depending on the nature of the matter and the time spent working on it. We will also issue a bill on completion or termination of your matter.

Notwithstanding any arrangement you may have with a third party, we are not permitted to issue a bill to any person other than our client(s) for the work covered by the bill.

9.2 Payment of bills

All our bills are payable upon receipt, unless otherwise expressly agreed in writing.

9.2 Payments on account

We reserve the right at all times to require money on account of our anticipated fees, expenses, disbursements and/or VAT or otherwise to refrain from providing further services.

Any money provided on account of our fees, costs and disbursements will be held by us in our Client Account on following terms:

- We will account to you for interest (depending on the amount and the period involved) in accordance with SRA rules;
- We will have authority to draw on such money paid for our fees, expenses and disbursements, as they become due.
- Principal and interest will be used to reduce or discharge final invoice we render at end of the transaction;
- You cannot require us to apply any money in settlement of interim invoices submitted, although we may in our discretion; and

- Any part of interest and principal which remains unused after final invoice will be returned.

9.3 Unpaid bills

If any of our bills to you on any matter are unpaid, we may elect, without limiting our remedies:

- (a) not to perform any further work for you on any matter until all unpaid bills and any interest which may have become due are paid in full; and/or
- (b) to retain and to claim a solicitor's lien over files, deeds, documents, monies and other items held for you until our bills are paid in full; and/or
- (c) to charge interest on any amount outstanding 30 days after the date on which the bill is given to you at the statutory rate applicable to judgment debts from time to time in force.

9.4 Third Party Bills

Third Party Bills are bills for which someone other than you has agreed to be responsible for the fees incurred although the work will have been carried out on your behalf. You will remain responsible for paying our bills even if you have or acquire a right of indemnity or recovery from a third party and whether or not you receive any contribution from a third party.

10. CLIENT FUNDS

Any money held by us on your behalf in connection with this matter will be deposited with a bank in accordance with the rules of the Solicitors Regulation Authority of England and Wales (SRA). We will hold the funds in our client account currently held with Royal Bank of Scotland (RBS). We will not be liable for any reason, including default by the bank concerned.

10.1 Receipt of Funds

Before sending us funds, you should reconfirm our bank details by telephoning the number on our website and speaking to the solicitor dealing with your matter. We will not change our bank details. If you receive any correspondence suggesting that our details have changed or raising any concerns in this respect, you should take no action save contacting the solicitor advising you.

Unless you have a pre-agreement with us regarding the receipt of funds by us, where you are proposing or someone on your behalf is proposing to send funds to us by electronic/CHAPS transfer, you must have our prior consent. In addition, the date when the funds will be sent must be confirmed to us together with the source of funds (see 10.2 below). We regret that if funds arrive at our bank without such consent or confirmation, then we will not be able to receive them. Additionally, we may not be able to immediately return such funds since if we are suspicious of the circumstance, we may have to make a report to the law enforcement agencies (without telling you) and await their consent to proceed.

We cannot under any circumstances accept funds that do not relate to a transaction we are acting on.

We do not accept any cash payments.

10.2 Source of funds

We must know the source of funds that you will be using on every matter or transaction on which we are instructed by you. It is simplest for us if the source is a UK or EU or US bank. If the source is an unusual one, such as a bank in any other country, or an account in the name of someone other than yourself, you will need to tell us as early as possible, including the reasons.

Unless you have a pre-agreement with us regarding the receipt of funds by us, where you are proposing or someone on your behalf is proposing to send funds to us by electronic/CHAPS transfer, you must have our prior consent. In addition, the date when the funds will be sent must be confirmed to us together with the source of funds (see above). If funds arrive at our bank without such consent or confirmation then we will have no obligation to receive them. Additionally, we reserve the right to retain such funds if we are suspicious that money laundering may be involved as we will have to make a report to the competent authorities and await their consent to proceed (see section 17.1 of these Terms).

You will not disclose our Client Account bank details to anyone without our prior consent.

10.3 Destination of Funds

Where we are to pay out money to you, we will normally do so by a cheque in your favour, or to

an account in your name with a UK or EU or US bank or institution. If instead you want us to pay out monies to some other bank or to someone other than yourself, please tell us as early as possible, including the reasons. We cannot make payments out of our Client Account that are unrelated to the transaction we are acting on.

We are sorry that we have to undertake this detailed level of enquiry and assure you that we are only following those procedures that are necessary (for both of us) to comply with anti-money laundering legislation.

10.4 Interest

We will account to you for interest in accordance with our interest policy (available upon request).

If you are an individual and an EU resident, we may inform HM Revenue and Customs of any interest we pay to you. You are also responsible for paying any tax on interest.

10.5 Surplus Balances

If we act on multiple files for a client (e.g. developer's plot sales) any surplus client funds under £50 will automatically be transferred to the client's set up file (with your prior agreement). We will inform the client annually of these balances. For any surplus client funds over £50 we will inform the client.

11. CYBERCRIME AND FRAUD

Cyber-crime is on the increase, and you should be aware of the dangers to ensure that you do not become a victim of it. The website of the Solicitors Regulation Authority contains a 'Scam Alert' database which provides members of the public with information about known scams in which the identity of a legitimate law firm or a legitimate lawyer has been used by persons unknown for what are assumed to be criminal purposes (www.sra.org.uk).

You should be alive to the possibility that a fraudster might deliberately misrepresent himself or herself as a member of, or as someone acting on behalf of or working with, Stepien Lake LLP, for criminal purposes. Such scams normally originate by email. Often the email will suggest there has been a change in bank details or request personal or financial information in order that money can be paid to them (an identity theft type fraud). In an

attempt to give legitimacy or respectability to the scam, sometimes the email will direct the recipient to a false website that intentionally replicates the look of a legitimate website (a cloned website).

Please note we only send emails from this domain [name@stepienlake.co.uk](mailto:____@stepienlake.co.uk). Often the display name will appear legitimate but the email domain will not be correct. If you receive an email purporting to come from Stepien Lake LLP or a firm member, or if you are directed to a website which purports to be Stepien Lake's website and you have doubts or concerns about the provenance of the email or website, before taking any action please either contact the firm member you normally deal with or email Richard Hill richard.hill@stepienlake.co.uk) and they will tell you whether the email came from us or whether it is our website.

If you send funds directly to a fraudster posing as Stepien Lake LLP, this firm will not be held liable nor will you have recourse to our professional indemnity insurance and you are unlikely to be able to make a claim from the SRA compensation fund.

12. COMPLAINTS PROCEDURE

If you have any problem concerning any of the services or fees provided by us that has not been resolved with the Matter Partner you should:

- (a) raise your concerns with the Client Partner;
- (b) if there is still no resolution in this regard, your complaint will be dealt with in accordance with the firm's complaint procedure by reference to the senior partner or another partner nominated by him;
- (c) if for any reason we are still unable to resolve your concern then you have the right to complain to the Legal Ombudsman, an independent body for resolving complaints about solicitors.
0300 555 0333 or
enquiries@legalombudsman.org.uk
- (d) A copy of our complaints procedure is available on request.

13. LIABILITY

We will provide advice and legal services to you with reasonable skill and care and we acknowledge that (subject to the other exclusions and limitations in these Terms) we will be liable to you for losses, damages, costs or expenses ("Losses") caused by our negligence or wilful default. Our responsibility shall only extend to the advice and services we provide on matters upon which you have actually instructed us.

We will be reliant upon you for the accuracy and completeness of the information and/or documentation you provide as well as the fact that such information and/or documentation will be provided in good time. We will not be liable to you for any Losses caused wholly or in part by failure by you to provide information or documentation in good time or the provision by you of false, misleading or incomplete information or documentation or due to the acts or omissions by you or of any person(s) other than SL. Where you have concerns that are particular to you and not of general application it is your responsibility to advise us.

In the event that you are being advised by one of several professionals and a limitation of liability has been agreed in relation to one or more of them, you agree that SL's liability to you will not be increased due to the limitation of liability agreed by you with other advisers. Our liability to you under or in connection with our engagement shall be limited to that proportion of the total losses (after taking into account your contributory negligence, if any) determined to be just and equitable having regard to the extent of our responsibility for the Losses in question.

Where our advice involves an assessment of legal or commercial risk we will use reasonable efforts to provide you with as accurate an assessment of risk as possible, but you agree to accept any such assessment as an expression of our opinion only and not a statement of fact. You agree that any decision to rely upon any assessment of risk made by us is solely your responsibility and that unless our assessment is shown to have been made negligently, you agree that we will not be liable to you for any Losses which you may incur as a result of any reliance placed by you on such opinions.

14. TERMINATION

You may terminate our engagement at any time on written notice, subject to any period of notice the law may require.

In addition, we may terminate our engagement on written notice to you:

- (a) in the circumstances set out in paragraphs 4, 8.4 and 15; or
- (b) if you fail to give us timely and adequate instructions, so that we are unable to conduct any of your matters properly and expeditiously; or
- (c) if you insist on a course of action which requires us to act contrary to our responsibilities as solicitors of which would lead to a breakdown of the relationship of trust and confidence which is essential for the proper handling of legal matters.

If either of us terminates our engagement then these Terms (other than paragraphs 2 and 3) shall survive and you agree, subject to these Terms, to pay us for all work we have done, all support services we have provided and all disbursements we have incurred prior to termination. For the avoidance of doubt, upon termination of our engagement we have the right to retain and to claim a solicitors' lien over deeds, documents, monies and other items held by you until our bills are paid in full.

15. RETENTION OF YOUR DOCUMENTS

The general correspondence and draft documents on the files we prepare for your matter are your property but all memoranda and attendance notes will remain our property. Subject to payment of our fees and disbursements you will be entitled to receive such correspondence and documents but agree that we may bill you at our standard rates for retrieving these from storage and for preparing files for delivery to you and for taking copies for our own use and retention. All documents and files that you request us to retain will be kept in safe custody.

Copyright in any documents prepared on your behalf will not pass to you unless we have expressly agreed otherwise in writing.

You consent to the destruction of the files or electronic copies six years after a matter is

completed and to us retaining microfiche or electronic copies although we will have no obligation to do so.

16. STAMP DUTY LAND TAX

We will advise you if your matter must be notified to the HMRC and if it is taxable under the Stamp Duty Land Tax ("SDLT") regime.

It is your obligation and responsibility under the SDLT legislation to file with the HMRC a land transaction return ("LTR") if your matter is notifiable and to pay any tax that is chargeable.

In most cases, the LTR must be filed and any tax due paid within 30 days of the completion of the matter. In some cases, you may be required to file one or more LTR's and/or make further payments of SDLT. We will advise you if your matter falls into the latter category. However, unless we agree otherwise, we shall have no obligation to remind you when further returns/payments are due. Failure to comply with the LTR filing requirements and non-payment of SDLT within the prescribed periods will render you liable to financial and other penalties.

If you appoint us to be your agent for SDLT purposes, we will complete the first (but not any subsequent) LTR on your behalf and we will send it to you for your review and signature. As your agents, the HMRC will correspond with us direct in relation to the LTR and payment. We will refer any correspondence to you as necessary.

You will provide us with such information as we require enabling us to prepare the LTR and we will complete it in reliance on the information that you provide. You will have the ultimate responsibility for the accuracy of the information and your signature of the LTR will be your confirmation to us that the information in it is accurate. When we submit the LTR, we will also pay any SDLT due provided we have sufficient monies on your account for this purpose. It is your responsibility to ensure that we hold sufficient funds from you to enable us to discharge your SDLT liability.

You must retain and preserve all relevant records relating to the LTR and the transaction to which it relates. These records will need to be preserved by you for at least six years from the date of filing of the LTR. Insofar as we hold any relevant records, paragraph 12 of these Terms will apply.

The HMRC have the power to make enquiries and investigations into a LTR. We will charge you additional fees on the basis set out in paragraph 7 of these Terms for any work that we undertake on your behalf in connection with any such enquiries or investigations.

17. INSURANCE AND REGULATION

17.1 Anti-Money Laundering

We are under strict requirements to identify our clients, understand the source of funds and funding on a transaction for the purposes of anti-money laundering legislation. You agree to provide such evidence of your identity and that of directors, partners, trustees and controllers (beneficial owners) of your company or firm and of all connected shareholders and parties as we may require in order to comply with our obligations under the legislation and regulations against money laundering and drug trafficking or proceeds of crime generally including the Proceeds of Crime Act 2002 and The Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017.

We may cease to act for you if you fail to provide evidence of identity within fourteen days of being requested to do so. We may at any time make such disclosures to the competent authorities as a result of such failure or otherwise upon suspecting that you are or any party connected with any transaction or matter on which we are acting on your behalf is involved in money laundering, drug trafficking or handling the proceeds of crime.

We may also make such disclosure of information provided to us in relation to you or any matter or transaction on which we are acting on your behalf where such disclosure is required by law or if we believe that disclosure is necessary in order to refute any allegations, charges or proceedings relating to non-compliance with money laundering or other legislation or regulatory guidance in relation to money laundering, drugs trafficking or proceeds of crime generally.

Any such disclosure may be made without prior reference to you. If a disclosure is made no further work on the matter or transaction will be undertaken without any requisite consent from the competent authorities.

We will have no liability to you for any loss or damage you incur in consequence of our

reporting to the competent authorities' knowledge or suspicion of money laundering, whether on your part or on the part of any party connected within any matter or transaction on which we are acting on your behalf.

See 10.1 for Receipt of funds.

See 10.2 for Source of funds.

See 10.3 for Destination of funds.

17.1.1 Identification Checks

We may need to obtain formal evidence of your identity. This is necessary even though we have acted for you before or even if you or your organisation are personally known to us. We may also need to update on an annual basis identification evidence that we already hold. You must provide the information and documents within two weeks of the date of instruction, failing which we will not be able to continue to act for you and if we are suspicious of the circumstances we will have to report you (without telling you) to the anti-money laundering law enforcement agencies. You should also be aware that pending receipt of the information and documents, we will not be able to receive any monies from you or on your account into our client account.

17.2 Legal Services

We are a law firm authorised and regulated by the Solicitors Regulation Authority, whose rules are at www.sra.org.uk/rules.

17.3 Supervision (other matters)

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.

17.4 Professional Indemnity Insurance

We maintain professional indemnity insurance with an insurer approved by the Solicitors Regulation Authority. Please ask if you would like a summary of this insurance.

17.5 Insurance Mediation Services

SL are not regulated by the Financial Services Authority but we are registered for carrying on

insurance mediation services, which is broadly the advising on, selling and administration of insurance contracts related to legal services we provide. We do not hold ourselves out as providing services relating to investments.

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 on the Financial Conduct Authority's website at www.fca.org.uk/register and our registration number is LS 532987.

We will write to you separately if during the course of acting for you we need to arrange or discuss insurance.

We are retained to provide legal advice to you. It is not part of our role to give advice on the merits of our investment transactions. No communication of ours should be construed as an invitation or inducement to you or anyone else to engage in investment activity and you cannot require us to communicate any such invitations or inducements.

You are solely responsible for any decision you take to discuss, negotiate or enter into a proposed transaction or arrangement and should do so based on your own assessment of its commercial, strategic investment and financial merits and the risk involved. If you are in doubt over any of these matters you should seek advice from an appropriately qualified financial adviser.

18. DATA PROTECTION

We will only use your personal information that you disclose to us for the purposes which we are instructed. We will make every reasonable effort to keep it secure, complete, accurate and up to date and will not hold it longer than required.

Full details on data protection are contained in our General Data Protection Regulations ("GDPR") Privacy Notice and Information for Clients on our website or available upon request.

19. INTERPRETATION

These terms of engagement and the letter of engagement together comprise a non-contentious business agreement for the purposes of the Solicitors Act 1974.

References in these Terms to your "matter" are references to the matter or transaction specified in the letter of engagement and further work necessarily derived from that matter, or, where you have instructed us to provide you with legal services which you specify and require, to each and every matter or transaction on which you require us to act for you on or after the date of the letter of engagement.

20. GOVERNING LAW AND JURISDICTION

The laws of England and Wales govern the Terms and all aspects of our retainer and our performance of work for you.

Both you and we irrevocably submit to the exclusive jurisdiction of the courts of England and Wales.

21. EQUALITY AND DIVERSITY

Stepien Lake is committed to promoting equality and diversity in all of its dealings with clients, third parties and employees.