



Esher | Richmond | Mayfair

TERMS OF BUSINESS

1. Introduction

- 1.1 These terms of business apply to all services provided to you by Galloway Hughes LLP. When you instruct us to advise you on a new engagement we will normally send you a letter (**Engagement Letter**) confirming your instructions. The terms of that letter (if any) and these Terms of Business will together form the contract between us (**Engagement Contract**) for that engagement.
- 1.2 As a Limited Liability Partnership we have **Members** not **Partners**. However, it is more usual for senior professionals to refer to themselves as Partners, and we have retained this terminology in these Terms of Business. However, the Engagement Contract is between you and Galloway Hughes LLP and you agree to pursue only Galloway Hughes LLP for any claim in connection with our services - see also section 10 of these Terms of Business.

2. Definitions and interpretation

- 2.1 In these terms of business the following words have the following meanings:

Associate	in respect of an engagement (unless the Engagement Letter expressly states otherwise) any of your group undertakings (as defined by Section 259 of the Companies Act 1985) which is a recipient of our services in relation to that engagement and any other person or organisation which the Engagement Letter identifies as, or we and you agree in writing may be treated as, a recipient of our services in relation to that engagement;
Engagement	a transaction, case or other matter upon which at any time you instruct us to advise you;
Galloway Hughes LLP	the limited liability partnership of Galloway Hughes LLP and any other company wholly owned by or on behalf of such limited liability partnership or the partners of Galloway Hughes LLP and any person to which an Engagement Contract may have been assigned in accordance with paragraph 15 below
Our Services	the services provided by us to you as described in an Engagement Contract and any other legal services provided to you at any time in relation to an engagement; and
Partner(s)	member(s) of Galloway Hughes LLP.

- 2.2 In these terms of business:

2.2.1 **we us** or **our** (and similar expressions) refers to Galloway Hughes LLP, and

2.2.2 **you** or **your** (and similar expressions) refers to our client.

2.3 In the event of any inconsistency between an Engagement Letter and these terms of business the Engagement Letter prevails.

3. Your contacts at Galloway Hughes LLP

3.1 Client Partner

The first Engagement Letter which we send you will identify the partner with ultimate responsibility for our work for you (**Client Partner**). Your Client Partner will maintain an overview of your affairs, and will be happy to discuss methods of reporting which are tailored to your needs (e.g. regular reports, face-to-face reviews).

3.2 Personnel

The Engagement Letter for each engagement will identify the person (if different from the Client Partner) with primary responsibility for the engagement and the person (if different) managing it from day to day. Other suitable colleagues may assist as the engagement progresses.

4. Scope of our services

4.1 The services we provide for any engagement will be described in the Engagement Letter, or will otherwise be agreed between us at the outset of the engagement and may be varied by agreement during the course of the engagement.

4.2 Our services will not include advice on the taxation implications of any course of action.

5. Charges

5.1 We seek an open relationship with our clients and will be happy to discuss any aspect of our charges at any time.

5.2 If the Engagement Letter states that our charges are to be based on the time we spend in dealing with the engagement, this will include time spent in/on meetings, preparation and thinking time, correspondence, telephone calls, documents and other papers. Our Engagement Letter will outline the relevant hourly rates for the personnel involved in any engagement unless you have already been notified of those rates. We review our hourly rates in January each year.

5.3 If an engagement is particularly complex, or urgent, or of high value, this may also be taken into account by us in proposing a level or basis of charges.

5.4 In appropriate cases, we may charge on an alternative basis to hourly rates, including capped or fixed fees, blended rates, percentage fees by reference to agreed criteria or retainers.

5.5 Whether or not an engagement proceeds to completion, we will charge you for work done and expenses incurred, unless otherwise agreed in writing.

5.6 As appropriate, our Engagement Letter will confirm any further specific points on charges relating to an engagement, such as any estimate or reasons why an estimate cannot be given, or any other basis of charging, any agreed ceiling on the charges which may be incurred without further reference to you. Unless otherwise stated, any estimate will not amount to a binding agreement that we will perform our services within a fixed time or for a fixed fee.

6. Disbursements/bank transfer fees/sums paid to us by you

6.1 We may, on your behalf, incur certain other expenses (such as search fees, courier charges, stamp duty, overseas lawyers' fees, court fees, travel costs, and scanning and photocopying costs). These are generally referred to as **disbursements**. You will have to pay those expenses or reimburse us for them.

- 6.2 Should substantial disbursements have to be incurred, we will consult with you where practicable, and may require payment in advance. For example when we are acting in relation to a property purchase, it is our policy to request payment in advance for all property searches carried out prior to exchange of contracts.
- 6.3 We will charge you £40 plus VAT for each outgoing bank transfer made by CHAPS in connection with the Engagement.
- 6.4 We will charge you £25 plus VAT for each compliance check undertaken to comply with the Anti-Money Laundering Regulations. Generally, this is for each client involved in the transaction but will also be payable for each third party funder.
- 6.5 If there is a sum due back to you on or after completion of the Engagement we will automatically send you the sum by CHAPS payment and a charge of £40 plus VAT will apply as explained in paragraph 6.3. This fee will be shown on the financial statement sent to you prior to completion.
- 6.6 We would prefer you to send us any sums necessary to progress or complete your transaction by one or two payments. However, should you choose to make more than two payments, we will charge you an administration fee of £50 plus VAT to cover the additional administrative time spent and bank charges incurred as a result.

7. Value Added Tax (VAT)

- 7.1 We are registered for VAT and therefore VAT will be payable in addition to our fees listed on our bills.
- 7.2 Where payable, in each case the rate of VAT is 20% of the fee.

8. Billing and payment arrangements

8.1 Timing of bills

We reserve the right to send you periodic bills for our services and expenses at appropriate intervals while the work is in progress (unless otherwise stated in our Engagement Letter, this will normally be every month). We will send a final bill after substantial completion of the engagement. We also reserve the right to request payments on account of our charges where appropriate.

8.2 Settlement and interest

Our bills must be paid within 30 days of delivery, failing which we reserve the right to charge interest on the balance outstanding from that date at an annual rate of 3% above Lloyds TSB Bank Plc's base lending rate from time to time (accrued on a daily basis) and we also reserve the right to suspend work on any engagement. Unless we have agreed in the Engagement Letter for the commutation of our fee should your transaction prove abortive for whatever reason, the full amount of our fee will be payable by you whether or not the transaction proceeds to completion.

8.3 Your primary responsibility for our charges

Even if someone else has agreed to pay or is responsible for paying all or part of your legal costs, we will address our bills to you and you will, in any event, be responsible for paying them.

8.4 Accounting for client account interest

Monies which we receive from you will usually be paid into our client account and will be used to pay monies due in your transaction including costs and disbursements. We will pay you interest at a rate as is reasonably determined by us (provided that we will not pay interest at a rate greater than that earned in our client account) from time to time whilst monies are held for you in our client account for more than 3 days save that for administrative reasons we generally do not account for interest unless it exceeds £150.

9. Termination of instructions

9.1 Your right to terminate

You may at any time terminate our appointment in writing. We will be entitled to keep all your papers and documents (stored on any media) while there is money owing to us for our charges and expenses.

9.2 Our right to terminate

We may decide to stop acting for you with good reason, for example, if you do not pay an interim bill, or a proper request to pay a reasonable sum on account of our costs or disbursements is not complied with, or if you fail to give clear or proper instructions on how we are to proceed, or you give us instructions which conflict with our rules of professional conduct. We will notify you of any such decision.

9.3 Payment of fees on termination

If you or we decide that we will no longer act for you, you will pay our outstanding charges and expenses including those not yet billed.

10. Exclusions and limitations of liability

10.1 No claim against individual employees/consultants/partners

Having regard to our legitimate interest in limiting the personal liability and exposure to litigation of individual employees, consultants and partners, you agree that you will not bring any claim, however arising, against any of our individual employees, consultants or partners personally in respect of losses which you suffer or incur, directly or indirectly, in connection with our services. The provisions of this paragraph 10.1 will not limit or exclude our liability for the acts or omissions of our employees, consultants or partners.

10.2 Proportional liability

Where you have a number of advisers, including us, advising you in relation to an engagement, we may be prejudiced by any limitation or exclusion of liability which you agree with any of those other advisers. Accordingly, in order that our position is not so prejudiced, you agree that we will not be liable to you for any amount, however arising, which we would have been able to recover from any other person by way of indemnity, contribution or otherwise but are unable to recover because you agreed, or are treated as having agreed, with such other person any exclusion of or restriction on their liability.

10.3 Liability cap

We may, from time to time, agree with you that our aggregate liability in relation to an engagement is limited to an amount specified in the relevant Engagement Letter (a **Liability Cap**). Where a Liability Cap is agreed it will apply to our aggregate liability, however arising, to you for all losses (including costs and expenses) arising from or in connection with our services in relation to the relevant engagement.

10.4 Meaning of **however arising**

For the purpose of paragraphs 10.1, 10.2 and 10.3, **however arising** covers all causes and actions giving rise to liability, whether arising by reason of negligence, misrepresentation (before and/or in the Engagement Contract), other tort, breach of contract, breach of statutory duty or otherwise.

10.5 Force majeure

We shall not be liable to you to the extent that we are unable to perform our services as a result of any cause beyond our reasonable control including without limitation industrial action (other than solely of our employees or consultants), act of God, war, riot, civil commotion, acts of terrorism, theft, malicious damage

(other than of our employees), accident, failure or breakdown of plant, computers, machinery, systems or vehicles, fire, flood, extreme weather conditions, power failure or failure of telecommunications. In the event of any such occurrence affecting us, we shall notify you as soon as reasonably practicable.

10.6 Limitation on exclusions

Notwithstanding any other provisions of the Engagement Contract, the exclusions and limitations of liability referred to in the Engagement Contract will not affect our liability for fraud or otherwise to the extent prohibited by law.

11. Confidentiality and conflicts

We owe a duty of confidentiality to all our clients. You agree, however, that we may, when required by our insurers or other advisers, provide details to them of any engagement on which we have acted for you, and that we may also disclose confidential information relating to your affairs if required to do so by law or the rules of any relevant professional body.

12. Documents and emails

12.1 Retention of files and documents

Files and other papers relating to your engagements will be stored for such time as we judge reasonable or for such time as we are required by law to do so, after which we may destroy them. Such files or papers may be preserved on microfilm or electronic form. We will not destroy original documents you ask us to deposit in safe custody.

12.2 Copyright

Unless we expressly agree otherwise the copyright in the original materials which we generate for you belongs to us. However, subject to payment of our relevant charges you are permitted to make use of those materials only for the purposes for which they are created.

12.3 Email communications

If you have the necessary facilities we may communicate with you by email, except to the extent that you instruct us not to do so. Documents sent to you by email (whether or not containing confidential information) will not be encrypted. However, we will never send you our client account details by email for fraud / cyber-crime reasons and should you receive an email purporting to be from us containing our client account details please advise us immediately.

13. Severance of terms

If any one or more provisions of an Engagement Contract shall be declared to be invalid or unenforceable in any respect, the validity and enforceability of the remaining provisions of that Engagement Contract shall not be affected or impaired.

14. Third party rights

No provision of an Engagement Contract (other than this paragraph and paragraph 10.1 above) will be enforceable pursuant to the Contracts (Rights of Third Parties) Act 1999. Other than an employee, consultant or partner wishing to rely on paragraph 10.1, no third party shall have any right to enforce or rely on any provision of an Engagement Contract. The notification or consent of any of our employees, consultants or partners shall not be required in order to rescind or vary the Engagement Contract. The aggregate liability of us and all of our employees, consultants and partners collectively shall be no greater than our aggregate liability alone, as set out in the Engagement Contract.

15. Assignment

- 15.1 The benefit of an Engagement Contract may be assigned by us to any person which continues all or part of the business of Galloway Hughes LLP in succession to us. You will accept the performance by the assignee of the Engagement Contract in substitution for the performance of that contract by us.
- 15.2 Subject to paragraph 15.1 above, neither you nor we shall have the right to assign the benefit of an Engagement Contract without the written consent of the other.

16. Associates

In relation to any engagement, unless the Engagement Contract expressly states otherwise, you agree to and accept the provisions of the Engagement Contract on your own behalf and as agent for each Associate. You warrant that you have or will have authority to retain us on behalf of each Associate. You will procure that each Associate will act on the basis that they are party to and are bound by the relevant Engagement Contract. References to "you" in paragraph 10 above apply to you and all Associates together as if a single party.

17. Application of these terms and variations

These terms supersede any earlier terms of business we may have agreed with you and in the absence of express agreement to the contrary, will apply to the services referred to in any Engagement Letter accompanying these terms and all subsequent services we provide to you. From time to time it may be necessary to amend or supersede these terms by new terms. Where this is the case we will notify you of the changes and unless we hear from you to the contrary within 14 days after such notification, the amendments or new terms will come into effect from the end of that period.

18. The Financial Services and Markets Act 2000 (FSMA)

Galloway Hughes LLP is not authorised under the FSMA, but we are able in certain circumstances to offer a limited range of investment services to clients because we are members of the Law Society. We can provide these investment services if they are an incidental part of the professional services we have been engaged to provide. In other cases where services in relation to investments are required, we may need to refer you to someone who is authorised by the Financial Services Authority as we are not so authorised.

19. Provision of Service Regulations 2009

We comply with the above regulation by displaying the required details of our Professional Indemnity Insurance in our offices.

20. Complaints

Although we will be doing all we can to ensure that you are delighted with our services, should you be unhappy at any time with our performance and should we be unable to resolve any concern through our personnel responsible for the engagement or your Client Partner, you should contact our Complaints Handling Partner. If for any reason we are unable to resolve your concern through our complaints procedures, we are regulated by the Solicitors Regulation Authority and as such, if you are not satisfied with our response to any complaint made, you can contact the Legal Ombudsman on 0300 555 0333, or check their website: www.legalombudsman.org.uk for further details.

21. Governing law and jurisdiction

Each Engagement Contract shall be governed by and construed in accordance with the laws of England and Wales. Any dispute arising from or under an Engagement Contract shall be subject to the non-exclusive jurisdiction of the English courts.