

McElhone & Co.

Solicitors

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TERMS OF BUSINESS

INTRODUCTION

We welcome you as a client of the Firm. You are entitled to expect from us not only the necessary technical expertise but also the highest standard of service, efficiency and courtesy. It is our aim that our clients should be satisfied with all the aspects of any work undertaken by us. We ask you to read carefully our Terms of Business set out below.

The Engagement Letter

You will receive a letter (Letter of Retainer) confirming the basis on which we are accepting your instructions and incorporating, by reference, these Terms of Business.

Personnel

The Engagement Letter will specify the Solicitors who will be principally involved on your behalf.

Enquiries

If at any time you have further instructions to give us or enquiries to raise regarding the matters being conducted by us, please do not hesitate to contact the Solicitor who has principal responsibility: if he is unavailable, please feel free to contact one of his secretaries. Naturally, if your instructions or enquiries are detailed or complex, it is preferable for you to write to us. This could well save costs.

Complaints and Dispute Resolution

The Law Society of Northern Ireland has a role in handling complaints and resolution of disputes. For further information please refer either to the principal in this firm or use the contact details below provided to communicate with the Law Society of Northern Ireland. The existence of this complaints procedure and dispute resolution is in addition to, and does not affect, the duty on us to satisfactorily deal with any complaint or claim.

We invite you to let us know if you have any concern about our conduct of the matter or if in any respect you feel that our standard of service has fallen short of your reasonable expectations.

Complaints Procedure

We will make every effort to give you an excellent service. However, if you are not satisfied with the service we provide, please contact the principal of the practice by letter, telephone or email.

If, after contacting the above you need further help, please write to:

The Partners,
T.D. Gibson/Carleton Atkinson & Sloan,
Solicitors,
Morrison House,
107 Church Street,
Portadown, County Armagh.

Telephone : 02838 332176

If you remain dissatisfied with our final response to your complaint you can refer your complaint to the Law Society of Northern Ireland which is the governing body for Solicitors practising in Northern Ireland and whose details are as follows :

Law Society of Northern Ireland

98 Victoria Street,
Belfast,
BT1 3JZ.
Tel 028 90231614

The professional rules applicable to this and any other firm of Solicitors can be viewed on the Law Society website - www.lawsoc-ni.org –

With effect from 2nd January 2015 the Law Society (on foot of the Solicitors' (Client Communication) Practice Regulations 2008) has introduced a form to be used by clients who wish to make an in-house complaint to their solicitors. That form will be incorporated in the documents the Society provides to clients when they enquire about

making a complaint. The following link will take you to that in-house complaint form:
http://www.lawsoc-ni.org/fs/doc/COMPLAINTSFORM2014_PDF.pdf

The Society is concerned to ensure that clients wishing to make a complaint should first exhaust their remedies under the in-house Complaints Procedure before making any formal complaint to the Society. This written procedure is accessible to clients both online and in hard copy, all our staff are fully aware of the Procedure and can provide details of it to clients expressing dissatisfaction.

Standards

The professional rules applicable to this practice are contained in the Solicitors Practice Regulations 1987 (as amended) and in the Solicitors' (Client Communication) Practice Regulations 2008. Please refer to the Law Society's website (above referred to) for a link to the relevant section.

Professional Indemnity Insurance.

In no circumstances will we be liable to you for any loss arising out of, or in connection with, this Engagement/Retainer whether in contract, tort, by statute or otherwise, unless the loss is caused directly as a result of our negligence or default. In all the circumstances the potential total aggregate liability of our firm, whether from breach of contract, tort, including negligence and/or misrepresentation, breach of statutory duty (or otherwise), arising out of, or in connection with, our Engagement/Retainer, will be limited to an amount not more than the figure set out below. The potential total aggregate liability of our firm to you arising out of, or in connection with, our Engagement/Retainer will in addition be limited to the amount that could be met without recourse to the personal assets of the Principal. We shall not be liable for any indirect sub-sequential loss or for loss arising out of any action necessary to enable us to comply with the Money Laundering Regulations 2007 (or any of them). Where any loss is suffered by you for which we and any other person are jointly and severally liable, the loss recoverable by you from us shall be limited so as to be in proportion to our relative contribution to the overall fault, taking into account that other party's liability. That other party may include you, for example, in a situation of contributory negligence. If, as a result of any exclusion or limitation of liability agreed by you with any other person, the amount which you are able to recover is reduced, then our liability to you will also be reduced by an equivalent amount. We shall not be liable to any third party for any services or advice that we provide to you nor shall we have any liability to you for any services or advice given by any third party whom we instruct on your behalf, for example, in relation to legal, financial or other professional advice.

Each Solicitor's practice is required to carry Professional Indemnity Insurance and full particulars of our insurance cover can be made available to you, should you so require, by contacting the Principal. We carry insurance cover per Marsh Limited, Bedford House, Bedford Street, Belfast, BT2 7DX (telephone 028 9055 6100) to the value of £3,000,000.00 under the Law Society Northern Ireland Master Policy No. QF102909.

Territorial coverage is limited to Northern Ireland. Further information can be obtained by contacting the Principal.

Rates of Charge

Our charges are calculated mainly by reference to the time spent by the Solicitor dealing with the matter. Unless our Engagement Letter otherwise provides, the rates of charge quoted will be our “expense of time” rates. A mark-up is applied, the amount of which depends on such matters as complexity, urgency, unsocial working hours, importance to the client and the amounts or value involved. The amount and the timing of the mark-up may be applied without reference to the client. That charge is, however, exclusive of any mark-up for care and conduct which will not be less than 50% and could be as high as 200%. In cases involving money, property (real or personal) or goods of very high value instead of charging a high mark-up we may charge a mark-up of 50% plus a percentage (up to 3%) of the value of the subject matter. Our rates of charge are based on the assumption that the transaction will not prove to be substantially more complex or time-consuming than expected. If it does then the professional fees and necessary outlays may be varied and increased to reflect that. If that situation arises you will be advised of this and of the fees that will be incurred after we have consulted you. Also, if the matter does not proceed to completion, you will still have to pay for all work done up to the point when the transaction was aborted and for all outlays incurred on your behalf. The factors to be taken into account are set down in the Solicitors’ Remuneration Order 1972 and in Order 62 of the Rules of the Supreme Court (Northern Ireland), the Solicitors (Northern Ireland) Order 1976 and the Solicitors (Amendment) (Northern Ireland) Order 1989. With effect from 1st January 2006 new provisions regulating advertising and the solicitation of clients were consolidated in the Solicitors (Advertising, Publications and Marketing) Practice Regulations 1997.

Review of Rates

The rates quoted in our Engagement Letter are reviewed periodically. If the matter being conducted by us is uncompleted at a review date, any alteration in rates will only apply to subsequent work. We will endeavour to keep you notified of any alteration to our rates.

Fee Agreement

You will be asked to return one copy of our Engagement Letter and of this, our Terms of Business, thereby confirming acceptance of our terms of business. We will then have entered into an agreement with you which will mean that the hourly rates will be fixed unless reviewed. In consequence your right subsequently to challenge our rates will be restricted.

VAT and Disbursements

Our VAT registration number is set out with our contact details on page one of these Terms. Our charges will be calculated exclusive of VAT which will be added to the

invoice, as will disbursements, incurred during the course of the transaction. Examples include:

- Counsels' fees;
- Experts'/Medical fees;
- Stamp Duty;
- Court Fees;
- Travel Expenses;
- Bulk photocopying;
- International calls or conference telephone/video links;
- Bank Charges e.g. for electronic funds transfer;
- External or overseas lawyers/advisers (including accountants)

These will be shown separately on your bill and will be in addition to the professional fees. Such expenses will be your responsibility. We are under no obligation to make such payments unless you have provided us with funds to do so. We will normally ask that significant expenses (such as Government Charges to issue Court documents, Counsel's fees or Expert fees) be paid in advance at the appropriate time. We will endeavour to give you reasonable notice of the amount and date of payment. A charge is not normally made for routine work of support staff or routine postal charges for mail.

Payment

1. It is our standard practice to require clients to make payments on account of anticipated costs and disbursements.
2. Invoices should be settled within twenty-one days. We reserve the right to charge interest on amounts owed that are not paid within that time. Interest will be calculated at the annual rate of 8%.
3. We hope you will understand that if payment of invoices is not made in accordance with our Terms of Business we reserve the right to decline to act further. In such an event a final invoice will be rendered. When we are instructed on a transaction which does not complete (otherwise than through our act or default) you are fully responsible for our fees for all work actually done.

Tribunal Proceedings

It is important to note that in proceedings before industrial and fair employment tribunals in Northern Ireland costs remain your own responsibility from the beginning until the conclusion of the proceedings.

Tribunals rarely (if ever) make Orders in respect of costs. Accordingly, whether or not you are successful or your claim is settled or lost you will be personally liable for all legal professional fees, expenses and outlays/disbursements incurred on your behalf. It is

therefore important that you respond to requests for information and documentation promptly and fully and that you cooperate with any Direction issued by the Tribunal.

Remuneration Certificates

In certain circumstances (when the business undertaken is non-contentious in nature) you may be entitled to request that we apply to the Law Society of Northern Ireland for a Remuneration Certificate. However, if Court proceedings have (or are going to) issue in your case the only means open to you to have our bill measured would be for you to apply to the Taxing Master (an officer of the Court). The Law Society has available an information leaflet explaining the difference in the procedures. Solicitors' bills attract interest from one month after the date of delivery. That interest continues on either the bill delivered or the amount certified by the Law Society under the Remuneration Certificate. If such a Certificate is being sought you should consider the prudence of making arrangements with us to prevent interest accruing.

Fee Estimates

1. It is extremely difficult to give in advance an accurate estimate of fees. It is rarely possible to tell in advance how many hours will be needed to complete a matter. If, nevertheless, at any stage you want a review of the likely range of fees then please write to us so confirming and we shall endeavour to give it. Any such estimate would be based firstly on stated assumptions as to the time and people likely to be involved and, secondly, on the information and instructions furnished by you. Any quotation for domestic conveyancing charges will be in the format approved by the Law Society of Northern Ireland. Any fee estimate (whether in respect of contentious or non-contentious business) is based on the assumption that the transaction will not prove to be substantially more complex or time-consuming than expected. If it does prove to be more complex or time-consuming than expected then the professional fees and necessary outlays may be varied and increased to reflect that. If this situation arises you will be advised of this and of the fees that you will incur after we have consulted you. Also, if the matter does not proceed to completion, you will still have to pay for all work done up to the point when the transaction was aborted and for all outlays incurred on your behalf.
2. We endeavour, where appropriate, to ensure that interim invoices are sent to you regularly which will give you a reasonably accurate idea of the costs you are incurring as a matter proceeds.
3. If at any stage you wish to set a limit on the costs which may subsequently be incurred without you being notified, you should ensure that we receive a written instruction from you specifying that limit.

Litigation

The following points have particular relevance to litigation work carried out for you:-

1. Factors affecting costs

Any estimate as to how long a case will last, or how much work needs to be done, will depend on a number of factors outside our control, e.g. how promptly the other side deal with Court Orders and procedural requirements. Decisions taken as to the tactics adopted in the course of litigation may well have costs implications which will need to be borne in mind.

2. Orders for costs against third parties

It may be that some other person agrees, or is ordered, to pay your costs (or make a contribution towards them). It is you, however, who is, and will remain, principally and personally liable for payment of all our costs and disbursements as and when they become due irrespective of whether you receive any such payment from a third party. You should also bear in mind that, if a third party is ordered to pay your costs, you will generally not be awarded against that person the full amount of costs and may, instead, be confined to those Scale Costs applicable to the relevant Court (be that County Court or High Court depending on the level of damages claimed, awarded or agreed). In determining the level of (party-and-party) costs recoverable, the Court applies a number of factors as a result of which the amount of party-and-party costs recoverable is generally substantially less than the amount of your solicitor/own client bill of costs. If your opponent is legally aided, you are unlikely to be awarded your costs against that opponent even if you are successful in your action/claim. Our rate of charge may be higher than that charged by other solicitors. In the event that, in any legal proceedings, you are awarded costs against another party those costs may be calculated at a Rate of Charge lower than that charged out by us to you. There may therefore be a shortfall between the amount of our charges and the amount of costs recoverable against that other party which difference would then be payable to us by you. This situation may arise in both contentious and non-contentious work.

3. Order for costs against you

In the event that you are unsuccessful in your litigation you are aware that you will probably be required to meet the other side's legal costs and disbursements. This is an issue you will obviously wish to keep in mind as the case proceeds since it will need to be carefully considered in the light of any fresh evidence emerging or new legal arguments being put forward.

4. Legal Aid and Advice

1. You may be eligible for help with your case under the Legal Aid and/or the Legal Advice (Green Form) Schemes. Eligibility is determined by the Legal Services Commission (“LSC”) applying its own statutory criteria. If you feel that you might be eligible under either scheme (even with a contribution) do please ask the Solicitor dealing with your file. You should note that Legal Aid is not retrospective so that, unless and until you are granted Legal Aid, it is you who is, and will remain, personally liable for payment of our costs. If you are granted Legal Aid, or if you are eligible to participate under the Legal Advice (Green Form) Scheme, and if, as a result, success is achieved in recovering, retaining or receiving money or property through Civil Court Proceedings or as a result of our legal advice, the LSC has first call on that money or property and the LSC may take such of that money or property you have recovered, retained or received as is necessary to cover some or all of the costs of your case. This is known as “the Statutory Charge”. If you feel this could arise in your case and if you would like more information, please contact us for advice relevant to your particular circumstances.

Divorce

With effect from 3rd May 2011 a Practice Direction (No. 1 of 2011) has been implemented by the Rules Office covering amendments to divorce petitions. If information and instructions received from you in connection with divorce proceedings are incorrect and if the incorrect information necessitates an application to amend the divorce petition then the costs associated with that application to amend must be met by you the client even if you are legally aided.

Conflict of Interest

The Law Society of Northern Ireland prohibits a Solicitor from acting for both parties in conveyancing transactions. There are certain exceptions to that prohibition. The prohibition (and the exceptions to it) are set out in The Solicitors’ Practice (Amendment) (No.2) Regulations 2003 which came into force on 31st December 2003. We may, at our discretion, be prepared, where the Regulations permit, to accept instructions to act for both parties where there appears to us to be no conflict of interest. In the event that, after receipt of instructions to act, it appears to you or to us that any real conflict of interest has arisen, then we would be unable to continue to act for either yourself or the other party in the transaction. If, at any stage, you feel a conflict of interest has arisen please draw this to our attention, ask for a copy of our Conflict of Interest letter and we will discuss with you your concerns and decide accordingly.

On occasion we may be asked to advise a client who is in a similar line of business to you. In accepting these Terms of Business you agree that we will not

be precluded from acting on behalf of other clients, whether current or future who are in a similar line of business to you either during the conduct of this matter or after our Retainer has been completed, unless there is a clear conflict of interest arising from the specific work that we do for you.

Stamp Duty Land Tax

By virtue of the Finance Act 2003, the pre-existing Stamp Duty regime has, with effect from 1st December 2003, been replaced by the new Stamp Duty Land Tax (“SDLT”). The provisions of the new legislation have brought significant changes to existing conveyancing practice and procedures. In signing our Engagement Letter and these Terms of Business you are expressly authorising and instructing us, at your expense to:

- (i) complete, before the actual date for completion of the transaction, a Land Transaction Return (“LTR”) in all transactions where SDLT arises or might arise;
- (ii) submit to Inland Revenue a LTR with payment of the appropriate SDLT;
- (iii) report on your behalf to Inland Revenue details of all land transactions with a liability to SDLT.
- (iv) furnish to Inland Revenue a note of the national insurance number of all “liable persons” for the purposes of SDLT.
- (v) pay to Inland Revenue all and any penalties and interest imposed as a result of the late filing, for whatever reason, of Stamp Duty SDLT 1 Form 1, you to indemnify us in full for so doing.

If you require further information this is available on :-

- (a) The Stamp Duty Website;
- (b) The Stamp Taxes Enquiry Line (0845-6030135);
- (c) Inland Revenue leaflet (issue 3) (“Modernising Stamp Duty on Land and Buildings in the U.K.”).

Money Laundering Regulations

The Law Society of Northern Ireland European Communities (Lawyer’s Practice) Regulations 2000 came into operation on 22nd May 2000. The money laundering provisions of the Proceeds of Crime Act 2002 (“POCA”) came into force with effect from 24th February 2003. The Terrorism Act (“TACT”) was passed in 2000. The Money Laundering Regulations 2007 (repealing and replacing the Money Laundering Regulations 2003) came into force with effect from 15th December 2007 and the TACT and POCA Amendment Regulations 2007 with effect from 26th December 2007. The Anti-money Laundering Practice Note made 22nd February 2008 by the Law Society of England and Wales has been adopted by the Law Society of Northern Ireland. The Solicitors’ Accounts (Amendment) Regulations 2007 came into operation in Northern Ireland on 31st March 2008. This Practice Note aims to assist us to meet our obligations under the U.K. Anti-money Laundering and Counter-Terrorist Financing (AML/CTF) régime and can be accessed on

www.lawsociety.org.uk/productsandservices/practicenotes/am . On 26th June 2017 the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017 came into effect thus incorporating the EU Fourth Money Laundering Directive (Directive (EU) 2015/849), into U.K legislation. This Practice has adopted a policy whereby we reserve the right not to accept from you, the client, (or from someone on your behalf) any sum of money tendered in cash over a certain figure, the amount of which we can advise you on application. By virtue of the above (and like) legislation your solicitor now has clear legal and statutory obligations (the breach of which may render the Solicitor guilty of offences attracting very serious criminal penalties) to report to the relevant authorities all instances where that Solicitor has reasonable grounds for suspecting that a client has already, is about to or may commit (or benefit from) a crime, no matter how petty or serious, whether terrorist-related or otherwise to include (but not confined to) money laundering not just of the client's own proceeds of crime but also those of another. The principal of this Practice (Mr McElhone) is the relevant nominated Money Laundering Reporting Officer as defined by The Money Laundering Regulations 1993 and 2007. Mr McElhone is also the relevant Compliance Officer as defined in the aforesaid 2017 Regulations (effective 26th June 2017).

In signing our Engagement Letter and Terms of Business you are expressly acknowledging our duty and entitlement to take all steps necessary to :-

- (i) Verify our client's identity;
- (ii) Keep and maintain all client file records necessary to our compliance with the above legislation; and
- (iii) Disclose (including by way of Suspicious Activity Reports (SAR) or Limited Intelligence Value Reports (LIVR) to the relevant statutory authorities (including but not confined) to the National Criminal Intelligence Service, the Police Service of Northern Ireland, Inland Revenue and H M Customs and Excise any reasonable grounds we have for knowing or suspecting that the client (or any other person) is engaged in:-
 - (a) the laundering of crime proceeds whether those proceeds are those of the client or of someone else. (This applies to the proceeds of all and any types of crime including, but not confined to, fund-raising for terrorist purposes);
 - (b) the concealing, disguising, converting, transfer or removal of criminal property;
 - (c) the arranging (or facilitation) by the client (or another) of the acquisition, retention, use or control of criminal property constituting or representing the benefit from criminal conduct.
 - (d) the acquisition, use and possession of criminal property constituting or representing benefit from criminal conduct by the client or another.
 - (e) tax evasion.
 - (f) operating (for oneself or another) undisclosed bank accounts (offshore or otherwise).

(g) failure to keep and maintain proper cash records within a business designed to facilitate the understatement of turnover, tax and/or liability to V.A.T.

How We Handle Data and Records

It may be necessary for us to retain personal data about you on our files and/or computer or telephone records. Examples may include financial information, bank details, sensitive personal data, medical records/reports or evidence of identity. In accepting these Terms of Business you confirm that we may receive and hold confidential and/or sensitive personal data in relation to you and that, where appropriate, this may need to be disclosed to others, such as Counsel/Solicitor Advocates, experts and other parties. If you have a concern about disclosure of any sensitive data (personal or commercial) please raise this with us at an early stage. While we will communicate with you (and others) by the most effective means, we cannot be responsible for the security of correspondence and documents sent by fax, email or other electronic means. If you have concerns about the confidentiality of any information sent by such methods, please let us know so that we can (if possible) arrange for alternative secure transmission. When a matter has completed we will normally retain our correspondence file for a period of up to 6 years (or other such period specified by the Law Society of Northern Ireland) after completion. Thereafter the file will be destroyed without reference to you unless, before then, you notify us that you wish to retain some part of the file. Original documents would usually be returned to you (or the apparent owner.)

Termination: Ending the Solicitor/Client Relationship

You may terminate our Engagement/Retainer on this matter in writing at any time. You will have to pay all outstanding fees and expenses up to date of termination. We will retain all documents, files, deeds and other papers until payment to us of all monies due.

We may at some stage consider that we have to stop acting for you, for example, if you do not respond to any request for information or do not abide by, or accept, any advice given.

You will be responsible for all fees and expenses/disbursements incurred to the date we cease to act for you and we may retain all documents, deeds, files and other papers until payment of all monies due to us. On the termination of the Retainer/Engagement we will notify all relevant parties accordingly and, if appropriate, apply to the Court to come off record and to cease acting on your behalf.

Criminal Legal Aid

Legal Aid may be available to those charged with more serious criminal offences. This will depend on the nature of the offence and the amount of your capital and your disposable income. Your solicitor will seek your instructions about making any

necessary and appropriate application for legal aid to the Court and it will be for the Judge to take the decision whether or not to grant Criminal Legal Aid.

Legal Expenses Insurance and Third Party Cover to Costs

In some circumstances you may find that your household or car insurance includes provision for payment of legal expenses. If you are a member of a Trade Union it may provide you will Legal Expenses Cover. We suggest that you check this and let us know as soon as possible the results of your enquiry.

Alternative Dispute Resolution

Most contentious Court and Tribunal proceedings allow for the possibility of considering Alternative Dispute Resolution, whether by way of conciliation, arbitration or mediation. Such mechanisms can be quicker and cheaper than conventional Court Proceedings/Litigation. We are happy to discuss these with you provided you raise with us the issue at an early stage.

Jurisdiction

These Terms of Business are governed by, and construed in accordance with, the laws of Northern Ireland.

We look forward to working with you and hope that your professional relationship with McElhone & Co will be an enjoyable one.

If you have a concern on any of the matters dealt with above please do raise this with us before signing (and returning to us) our separate Letter of Retainer and these Terms of Business. In the meantime, in so far as we carry out work for you prior to receipt by us of countersigned copy of our separate Letter of Retainer and these Terms of Business, or you raising particular concerns or issues about the content, the work will be deemed to have been done on the basis of the Terms set out above.

Signed.....

Dated