

PRETTYS SOLICITORS LLP BUSINESS TERMS AND SOME EXPLANATORY NOTES

This document is important. It should be read in conjunction with its covering letter. It sets out the terms of business under which Prettys will accept instructions from you. In the event of inconsistency or conflict between these terms and its covering letter, the covering letter shall prevail. This document also includes other information. Unless you write to us indicating otherwise, your continuing instructions will amount to an acceptance of these terms.

April 2019

1. PRETTYS' COSTS AND OTHER EXPENSES

Our aim is to provide as much budgetary certainty as we reasonably can.

We will provide you as quickly as we can with budget information. This will be one of our first tasks for each instruction, coupled with identifying and agreeing the scope of the work we will be undertaking.

This will involve:

- an agreed budget for the whole or parts of the scope of work; or
- in certain circumstances fixed costs; or
- in certain circumstances an upper limit to our costs, or a range of likely costs.

We will provide you with our best estimate of the likely overall costs as soon as we are able to.

Costs uncertainties can arise for a wide variety of reasons, including:

- the scope of the agreed scope of work changing;
- the emergence of facts or issues which were originally unknown;
- the proximity of some clients;
- the attitude and approach of other parties involved in the instruction, or of their solicitors or other advisers. For example, in some non-contentious instructions, the other party or his advisers may resist all efforts to reach sensible, pragmatic or commercial solutions, which will have the inevitable consequence of driving up costs for both parties. By way of further example, in disputed matters the courts normally expect parties to co-operate, identifying and focussing on the resolution of key issues, but not infrequently a party or its advisers will raise any point, however lacking merit or relevance, which they believe may assist their case or harm that of their opponent. Indeed a tactic commonly employed is to drive up an opponent's legal costs.

Expenses (ie expenses incurred with third parties such as court fees, barrister's or expert's fees, stamp duty and search and registration fees) together with VAT if applicable are charged in addition to our costs, and will form part of the pricing with which you will be supplied. We reserve the right to require payment in advance for any professional fees or expenses and to charge for

photocopying and printing (currently 10 pence per sheet and £1.50 per colour sheet) for bulk photocopying, facsimiles (currently £2 for the first sheet and £1 for each subsequent sheet), overseas telephone calls and all costs draftsman's services.

The information we will supply you will cover both our costs and expenses.

You must let us know if the amount of costs and expenses is a significant factor in your decision to instruct us on a particular matter. We will do our very best to meet your concerns, balancing also the need to ensure that your instructions are fulfilled as best as possible. Budgetary constraints may impact on the scope of the work and restrict the amount of time and consideration we would otherwise undertake.

Our costs are charged primarily on a time-spent basis. With each individual instruction we will indicate the normal hourly rates of those involved. We will do our best to have your instructions carried out at an appropriate level of seniority. The aim of this will be to provide a service that is skilled, efficient and cost-effective.

Our charging rates vary in accordance with guidelines published by the Law Society and court rules, and take into account the court rates applicable to any litigation upon which we are instructed. Relevant factors are the complexity, urgency or importance of the matter, the specialist knowledge or responsibility involved, the value of the transaction or dispute, and the number and importance of the documents involved, as well as the time spent. Time spent is normally the most important factor. This includes time spent reviewing files for quality control purposes. Every hour of a fee earner's time is split into 10 units, each of six minutes. Our time is recorded accordingly. Any short telephone call is normally charged at a minimum of one unit, as is each short incoming or outgoing item of correspondence.

We will be prepared to discuss the possibility of entering into a fee arrangement with you under which all or part of our fees are triggered upon the happening of a particular event. Such arrangements are normally called contingency fee arrangements. It is currently unlawful to agree contingency fee arrangements in respect of court or arbitration proceedings, although such a ban will likely cease for certain categories of litigation soon.

The current hourly charges for our solicitors, legal executives and specialists / executives range between £100

to £425 plus VAT. We will charge for time spent on research, credit matters, tracing and other investigative matters. Such time might be expended by our trainee solicitors or credit controller and be charged currently at an hourly rate of between £70 to £175 plus VAT. Any work carried out by secretaries, which would otherwise be regarded as the work of a fee earner, may be charged, currently at £65 per hour. Our charging rates are reviewed periodically. We will advise you of any proposed changes. Whilst we only normally start charging our time when we start discussing a matter with you, occasionally we will need to undertake some preparation beforehand, for which we might also charge.

All costs and expenses information will be provided on the best information with which we are supplied. As soon as it becomes clear that certain assumptions on which original costings were based have changed, we will advise you on their impacts. We would not charge above a budgeted or fixed price without warning you in advance and discussing the position with you. We will advise you of the costs and expenses position regularly. Our normal practice is to raise interim bills monthly.

2. PAYMENT OF INVOICES

Unless otherwise agreed our invoices are payable immediately upon their issue. Payment must be without any deduction by way of set off, counterclaim or otherwise. We reserve the right to retain any money received by us on your behalf to any charges and expenses whether invoiced or not, before forwarding any remaining balance to you and apply that money towards such charges and expenses.

If any invoice becomes overdue we reserve the right to:

- charge interest from the date upon which payment fell due on the total amount outstanding at (in the case of businesses) the rate specified by the Late Payment of Commercial Debts (Interest) Act 1998 (currently 8% above the Bank of England's official dealing rate) or (in all other cases) the judgment debt rate (currently 8%) prevailing when payment fell due;
- in the case of businesses, charge fixed sums under the Late Payment of Commercial Debts (Interest) Act 1998;
- require immediate payment of any other outstanding invoices;
- cease acting immediately for you and to instruct our agents (eg barristers and experts) to cease acting;
- issue proceedings against you (including in respect of unpaid interim invoices); and
- retain all documents, working papers, title deeds and any other items in our possession relating to any matter until all outstanding invoices are paid in full.

Our invoices do not normally contain narratives, detailing the work carried out. If you should require such details, you should let us know. All our invoices contain a notice

regarding the circumstances in which the Legal Ombudsman and the courts can review the fairness and reasonableness of our charges.

Where our retainer is with more than one person or organisation, your costs and expenses liability to us will be joint and several. All our invoices are primarily payable by you even if you have an agreement or arrangement with a third party for their payment.

Where we act for a company or LLP, we will only do so on the basis that the director(s) of the company or member(s) of the LLP giving us our instructions agree(s) to indemnify us for our costs and expenses if the client company or LLP does not pay. By giving us instructions the director(s) or member(s) confirm(s) his / her / their agreement to so indemnify us.

3. ENGAGEMENT PARTNER SYSTEM

For commercial, public sector and institutional clients we operate an engagement partner system. The aim of the system is to:

- provide you with a first point of contact;
- have someone here who has overall responsibility for your work;
- identify with you who is best equipped here to deal with particular instructions;
- ensure that your instructions are dealt with satisfactorily;
- have a nominated person undertake regular reviews with you.

4. QUALITY CONTROL

We are accredited with Lexcel, the quality hallmark recommended by the Law Society. We have a regular internal file review process where files are checked by someone within the firm other than the person who has primary conduct of it. We are also checked periodically by outside assessors. If your file is selected for Lexcel checking we need your consent. All assessments are conducted in strict confidence. If you withhold consent, work on your file would not be affected. We will assume that we do have your consent unless you notify us to the contrary in writing and that your consent will extend to all future matters which we conduct on your behalf.

5. STANDARDS OF SERVICE AND COMPLAINTS PROCEDURES

We welcome comments about the service we provide. If a client is pleased with a job well done, we like to ensure that that is recorded, and those responsible are informed and congratulated.

We aim to provide a very high standard of service to our clients. We are regulated by the Solicitors Regulation Authority (the SRA) – www.sra.org.uk – and take fulfilment of all of the requirements of the SRA very seriously. If you

have any comments or queries about the service that you receive from the firm or the work we are doing, we will be happy to discuss them with you. If you wish to take any matter (including any concern about our fees) further, or feel that those involved in your matter have been unable to help you, then you should make a complaint. In the first instance you should contact by telephone your engagement partner (if you have one) or Matthew Cole, who is our client care partner. Our complaints procedure is available on request. You can expect an initial response within three days of your complaint, and you can expect our internal procedure to be concluded within about a month and a half, although we hope that it will take less time. If we fail to resolve your complaint to your satisfaction, you may complain to the Legal Ombudsman, whose contact details are PO Box 6806, Wolverhampton WV1 9WJ; tel: 0300 555 0333; email: enquiries@legalsombudsman.org.uk.

Your instructions may involve us in seeking the assistance of counsel. The Bar Council now requires counsels' chambers to provide a complaints procedure of their own, including providing access for you directly if you have any concerns or complaints about the services provided by counsel or his or her chambers. This procedure would confirm your (and our) entitlement to contact counsel directly, or his or her clerk, or the head of chambers. Ultimately complaints about counsel or his or her chambers can be made to the Bar Council, or to the Legal Ombudsman. If you require any more information about the Bar Council's complaints procedure, let us or counsel's chambers know.

6. YOUR INSTRUCTIONS

It is preferable that your instructions to us are in writing. As matters progress, you should instruct us promptly when asked to do so. We shall be entitled to assume that whomever gives us instructions has actual authority to do so, and we shall be entitled to rely on any information provided to us by that person. Where instructions are given on behalf of a company, LLP or other organisation we shall be entitled to assume that these terms have been brought to the attention of and approved by the directors of the company, members of the LLP or, in the case of any other organisation, the appropriate officers of that organisation.

Where our client consists of more than one person or entity, the costs and other expenses liability of those persons or entities is joint and several. Each joint client irrevocably permits us to disclose to any other of the joint clients at any time any information which we would otherwise be prohibited from disclosing by virtue of our duty of confidentiality.

7. PRIVILEGE AND CONFIDENTIALITY

Communications between us and you will attract legal privilege, which will normally mean that they will not be accessible by others. You should keep all communications

between us secure. If communications are released to a third party, then the privilege which attaches to them is likely to be lost.

Information about your instructions will be kept confidential and not disclosed without your permission in almost all cases. There are exceptions. One is our money laundering obligations (see 10 below), and another is our FATCA obligations (see 11 below). Sometimes an insolvency officeholder of an individual or a business can apply to have solicitors whose client dealt with that individual or business deliver information to him, even if it is confidential or privileged. Another instance is that normally if we are acting for both the purchaser of a property or company and for the purchaser's funder, we will be required to report fully to that funder, even on matters which might normally be confidential or privileged to the purchasing client.

We are also called upon on occasions to disclose confidential information to our auditors or other advisers or for the purposes of our professional indemnity insurance, or otherwise as required by law or our regulatory authorities.

In the course of our instructions it is often necessary for us to engage with other professional advisers, such as barristers or experts, and in such circumstances, unless you notify us otherwise, we shall disclose confidential information to those advisers.

In certain circumstances it may be necessary to erect an information barrier (or 'Chinese Wall') to protect the confidentiality of client information: if this is needed we will discuss it with you.

8. SECURITY OF COMMUNICATIONS

Email can be insecure, and carry viruses. It can be intercepted and otherwise adversely affected or made unsafe. Unless you ask us, we shall not be required to encrypt or password protect any email or attachment sent by us. We shall not be responsible for any loss or damage arising from the unauthorised interception, redirection, copying or reading of emails including any attachments. You should let us know if you object to email communications being employed in relation to any of your instructions. We also remind you that text and telephone messages can have similar security concerns.

9. PRESERVATION OF 'e' AND OTHER DOCUMENTS

In relation to any potential or actual dispute it is vital that you retain all documentation – whether in hard copy, electronic or other form – which may touch upon that dispute. The courts have shown an increasing willingness to impose sanctions against parties who destroy, delete or lose relevant documents (electronic and others) or allow that to happen. It is therefore essential that you ensure that any documentation which touches on the dispute and which might normally be destroyed or deleted in the

ordinary course of business is retained, and that as needs be your documents retention policy is adjusted.

10. MONEY LAUNDERING REGULATIONS

Your instructions may require us to obtain proof of identity as the law now requires solicitors, as well as banks, building societies and others, to obtain satisfactory evidence of the identity of clients, and this may include carrying out searches with search companies for identity verification purposes. These regulations also impose upon us a duty to report certain matters to the relevant authorities which overrides our client confidentiality obligations. We may not be allowed to inform you that a report has been made or of the reasons for it. The effects of these regulations are such that:

- we will not accept payment in cash for any amounts of more than £250;
- we reserve the right not to send any monies that we may hold to unknown third parties;
- we also reserve the right not to accept monies from a third party paid to us on your behalf;
- we may be prevented from proceeding as otherwise we would.

We shall not be liable for any losses of whatsoever description because we have had a duty to report to the relevant authorities, or in good faith believed we should do so, or through our not taking particular steps, or ceasing to act altogether where there is, or in good faith we believe there to be, a requirement to comply with money laundering and similar regulations.

11. FOREIGN ACCOUNT TAX COMPLIANCE ACT ('FATCA')

FATCA (which is the implementation in the UK of US government efforts to prevent its citizens from evading tax) applies to certain trusts. We will advise you if we believe the trust falls under the requirements of FATCA, and if it does, the implications for all concerned.

In determining whether FATCA applies, we are likely to have to ask you various questions. It is important that prompt and accurate answers are provided, together with any documentation that we may seek. If FATCA applies, we may have certification, registration and reporting duties. Such duties would be mandatory. It is a criminal offence not to comply with them. These duties override our duties of confidentiality to you.

We shall not be liable for any losses of whatsoever description because we have had a duty to certify, register and / or report, or in good faith believed so as to comply with FATCA we should do so.

12. CONFLICT CHECKS

Whenever we accept new instructions we check that there is no conflict of interest between you and any other client. Occasionally conflicts, actual or apparent, can subsequently

arise between one client's interests and those of another client. In this event we would discuss the position with you, but it may be that your best interests will require that we cease acting for you.

13. MONEY HELD BY US

If we hold money on your behalf, we will pay you interest in accordance with the SRA Accounts Rules 2011, which state that the interest paid must be a fair and reasonable sum calculated over the whole period for which the money is held.

Our interest policy is that the period for which interest can be paid will normally run from the date on which cleared funds are received by us until the date the funds are paid out by us. We will inform you of the current interest rate on request. No interest will be payable if the amount calculated on the balance held is £30 or less. Your money is normally held as a necessary, but incidental, part of the retainer to facilitate carrying out your instructions. In accordance with SRA guidelines your money will be held in an instant access account to facilitate the transaction.

Client money is generally placed by us with a number of high street banks. If, unlikely though that may be, any of those banks became insolvent, you ought to be entitled to seek recourse under the £85,000 government guarantee scheme, albeit that your monies held with us may be aggregated with other monies held by us with the same bank or institution in your name. You may have additional protection if we hold a temporary high balance for you for a specified reason, such as if we are holding money in relation to the sale or purchase of your primary residence, compensation for personal injury or money from your divorce or dissolution of your civil partnership. Please contact us if you have any concerns on this issue.

14. DEEDS, FILES AND DOCUMENTS

We normally store these without charge and return them to clients at no charge. If ancillary work arises out of any request you may make for their return or in relation otherwise to them, we may charge you for that work. Deeds will normally be retained until you request us for their return, or we notify you otherwise. Your files and your other documents will normally be destroyed after seven years, with files relating to property transactions normally being destroyed after 13 years.

15. INSURANCE AND INVESTMENT SERVICES

We are not authorised by the Financial Conduct Authority. However, we are included on the Register maintained by the Financial Conduct Authority. This means that we can offer a limited range of investment services if they are incidental to the primary services that we are providing you. We can carry on insurance distribution activity, which is broadly the advising on, selling and administration of insurance contracts.

The Register can be accessed via the Financial Conduct Authority website at www.fca.org.uk/firms/financial-services-register.

This part of our business is regulated by the Solicitors Regulation Authority, and arrangements for complaints or redress if something does wrong are subject to the jurisdiction of the Legal Ombudsman. We would first look to resolve any problem with you quickly using our internal complaints handling system. We may advise you that you require independent financial advice, for example in relation to funds in an estate which we are helping you administer. Where we are not qualified to advise on such investments, we will be able to suggest a financial adviser who should be able to help.

If we do so, we will advise you if we have entered into any agreement with any such adviser, and whether we are to be paid commission (either as a fixed fee or as a percentage) for our introduction. In that event we will agree with you whether that commission should be forwarded to you or kept by us, but offset against fees which otherwise we might charge you.

We shall not be liable for any losses of whatsoever description which you or any third party may suffer as a result of advice received from any such financial adviser. We suggest you enter into formal engagement terms with such adviser. Those terms ought to prescribe the provision of that financial services advice to you.

16. INFORMATION TO AUDITORS

Unless contrary arrangements are agreed with us, we will charge a standard fee of £250 plus VAT for providing such information. Whilst our advice to you is covered by legal privilege, arguably that privilege is lost if we convey our advice to your auditors when responding to a request for audit information. Our responses may therefore have to be necessarily circumspect.

17. DATA PROTECTION

We hold data on all clients, whether they are private, commercial, institutional or individuals within commercial or institutional clients. The purposes of doing so relate to our fulfilling your instructions. They also relate to our management, accounting, credit control and quality control systems, regulatory requirements, conflict checks and marketing. Further information about how we process your personal information can be found in our client Privacy Notice, which has been provided to you with these Terms and Conditions.

18. INTELLECTUAL PROPERTY RIGHTS AND TRADE SECRETS

We will own all copyright in any document prepared by us during the course of your instructions to us.

In the course of fulfilling your instructions we will provide services which are confidential, both during and after our retainer. The product of such services constitutes our

trade secrets and any disclosure of it to third parties would likely be a breach of confidence and / or prejudice your or our commercial interests.

You agree not to disclose any such confidential information or trade secrets to any person whether in response to any requests for information made under the Freedom of Information Act 2000 or otherwise, except as required by law or previously agreed by us in writing. If you are a public authority which receives a disclosure request under the Freedom of Information Act 2000, you agree before making any disclosure of any confidential information or trade secrets to notify us in writing promptly.

19. EXCLUSIONS AND LIMITS OF LIABILITY

We do not provide valuation, condition of property, tax or accountancy advice, save that where appropriate we will advise in relation to the Stamp Duty Land Tax ('SDLT') return and on inheritance tax issues to a limited extent, and we will expect your valuer, surveyor, tax adviser and accountant respectively to deal with all issues relating to such matters arising in respect of the matter or matters upon which you have instructed us.

We have professional indemnity cover of £20 million on each and every claim. Subject to additional limitation or exclusion of liability terms being agreed in writing between us, this is the limit of our liability in respect of any claim of whatsoever description or nature which you may bring against us.

We will not be liable for any consequential, special, indirect or exemplary damages, costs or losses or any damages, costs or losses attributable to lost profits or opportunities. We will not be liable to you for any claims, expenses, losses or damages as a result of your supplying us with incorrect information or your failing to supply us with all material information. We only seek to limit our liability to the extent the law allows and in particular we cannot limit our liability for death or personal injury caused by our negligence.

20. CONTRACT (RIGHTS OF THIRD PARTIES) ACT 1999

The relationship between us and you is personal. Except for the purposes of the limit of our liability to you, no other party shall have any rights under the Contract (Rights of Third Parties) Act 1999 to enforce any term. You must not pass on any advice we give you to others without first obtaining our written agreement to your doing so. Our advice is confidential and for your exclusive use and no third party rights are hereby created.

21. BRINGING OUR RELATIONSHIP TO AN END

You may terminate your instructions to us at any time.

We have the right to stop acting for you if we have good reason to do so, for example because you fail to pay monies that we request on account of costs and expenses,

or you fail to pay us invoiced sums, or a conflict of interest arises. Regulations such as money laundering or FATCA or their consequences may require or suggest that we ought to cease acting for you.

If either of us decide to bring the relationship to an end, you will be liable for all our expenses incurred, and a fair and proper charge for our costs up to the time that we stop work. However, the position is more complicated if we have identified you as being a client to whom the Consumer Contracts (Information, Cancellation and Additional Charges) Regulations 2013 (the 'Regulations') apply. Please note that the rest of this section only applies if the Regulations apply. All other clients can ignore the rest of this section.

If the Regulations apply you have the right to cancel your instructions within 14 days without giving any reason.

The cancellation period will expire after 14 days from the date of our instructions having been agreed.

To exercise the right to cancel, you should inform us, using the address, fax or email appearing on our engagement letter of your decision to cancel this instruction by a clear statement (eg a letter sent by post, fax or email). Alternatively you can use the cancellation form we attached to our engagement letter, but its usage is not obligatory.

To meet the cancellation deadline, it is sufficient for you to send your communication concerning your exercise of the right to cancel before the cancellation period has expired. The effects of your cancelling your instructions under the Regulations is that we will reimburse you all and any payments received from you. We will make reimbursement without undue delay and no later than 14 days after the date on which we are informed about your decision to cancel our instructions.

We will make the reimbursement using the same means as payment as you used to pay us, unless you have expressly agreed otherwise; in any event you will not incur any fees as a result of the reimbursement.

If you requested us to begin the performance of your instructions during the cancellation period but then change your mind during the cancellation period, you shall pay us an amount which is in proportion to the work performed until you communicated to us your cancellation of your instructions, measured against the full amount of work that was envisaged in your instructions. In arriving at the amount that may be due from you we shall take account of the sums mentioned in our engagement letter, or if that price might be regarded as being excessive, the market value of the services that have been supplied, calculated as a comparison to an equivalent service supplied by other solicitors.

You should nonetheless note that if you ask us to begin performing your instructions during the cancellation period

and we complete them entirely before the end of the cancellation period, your right to cancel will have been lost.

22. GOVERNING LAW AND JURISDICTION

The terms and manner under which we undertake instructions from you will be governed by and construed in accordance with English law. The English courts shall have exclusive jurisdiction to resolve any dispute which may arise out of or in connection with your instructions and how we have performed them.

23. FOREIGN JURISDICTIONS

We are not in a position to and will not advise you in relation to aspects of your instructions relating to jurisdictions other than England and Wales. This includes circumstances where the matter relates to an overseas transaction or case but is subject to English law. In all such instances it is important that you instruct a local lawyer to advise you how your position might be affected in the local jurisdiction.

If your instructions require us to engage on your behalf the services of a lawyer or other professional or any other party in a jurisdiction other than England and Wales, we shall have no liability to you whatsoever for his or her acts or omissions or those of his or her organisation or those of any other party in turn appointed by him or her in relation to work undertaken on your behalf. Unless otherwise agreed in writing with us, responsibility for checking their qualifications, ability or suitability to undertake your work shall be solely with you and it shall be your sole responsibility to agree the scope and standard of the work they shall undertake.

24. CORPORATE SOCIAL RESPONSIBILITY

Prettys is committed to taking into account the economic, social and environmental impact that we have. We are therefore committed to:

- providing a workplace which people enjoy and where they are fulfilled within a business environment designed to achieve collective goals in a mutually supportive fashion;
- re-affirming and developing shared values which are responsible in the context of a local, regional, national and global culture;
- responding to and leading the development of social values.

Our CSR and associated policies are available on request.

25. EQUALITY AND DIVERSITY

We are committed to promoting equality and diversity in all our dealings with clients, third parties and employees. We are also committed to ensuring that our clients and employees are not victim to any form of discrimination, including those related to disability (as defined by the

Equality Act 2010) while in our offices. Please let us know if you have any disability, so that we can tailor our service as best we can.

26. LIMITED LIABILITY PARTNERSHIP ('LLP')

From 1 May 2016 Prettys converted from being a partnership to an LLP. From 1 May 2016, our relationship is subject to these business terms. Your and our previous dealings, and our relationship up to 1 May 2016 will continue to be subject to our previous business terms. One feature of the conversion is that our partners become members. Nonetheless, for the sakes of simplicity and colloquialism, in these terms and correspondence any reference to a partner means a member of Prettys Solicitors LLP or an employee or consultant with equivalent standing and qualifications. We confirm that our conversion should not change the way in which we will continue to provide you with expertise, great results and peace of mind. Our formal LLP name is Prettys Solicitors LLP, but for ease of reference we are using the name Prettys in normal modes of address.

CONTENTIOUS ENGLISH COURT MATTERS ONLY

Below are set out points which are relevant to contentious court instructions, and which will be supplemented by further advice as appropriate. Aspects of the matters set out below may be of relevance to non-court contentious matters such as employment tribunal and arbitration disputes.

27. PRETTYS' COSTS AND EXPENSES AND ASSISTANCE WITH THEM

We will give you as much certainty about our costs and expenses as early as practicable. We may only be able to provide a budget to a particular stage, or to a particular time. We will supplement and revise budgets whenever appropriate. The circumstances of a dispute may dictate that we are only able to give such a figure to a particular stage, or to a particular time.

You will be responsible for settling our invoices in full regardless of any costs orders that may be made against your opponent.

Individuals may be eligible for Community Legal Service funding for a very limited category of claims. Community Legal Service funding is public money made available to individuals who satisfy the relevant authorities that they have a reasonable case, but insufficient means to pay lawyers. Prettys does not undertake work of this type. You should take independent legal advice on whether you may be eligible.

You may have insurance to cover your or your opponent's legal costs or both. You should undertake a careful search for any such policies. If your search is successful, you should check the policy terms so that a claim can be made

as soon as possible. Delay may prejudice your rights under any insurance policy. Insurers do not backdate legal expenses cover. You will therefore be responsible for our fees until confirmation of cover is received from insurers. They may prefer panel solicitors of their own to deal with the matter. If you would prefer us rather than panel solicitors act for you, you should inform your insurer, and contact us if they attempt to insist that you use their panel solicitors.

If you do not have insurance it may be appropriate to look into the availability and cost of "after the event" cover for your and / or your opponent's legal costs. If you are interested please let us know and we can make enquiries on your behalf at an appropriate stage.

We will consider entering into a damages based agreement (sometimes referred to as a contingency fee arrangement) or a conditional fee arrangement with a client after we have investigated the matter and undertaken a risk assessment. It may also be possible, in appropriate cases, to obtain third party funding. There is a wide variety of potential ways in which disputes can be funded outside of normal fee-paying arrangements. Each has its own merits and drawbacks, and may or may not be suitable for any one particular case.

28. THE OPENING SHOTS OF A DISPUTE

The courts expect many types of dispute to be aired between the parties through correspondence in accordance with various pre-action protocols. These prescribe how much detail and supporting documentation should be supplied and how much time the recipients of the claim should have in which to respond. Failure to comply with such protocols can lead to adverse costs consequences, as can a more general failure of a party to act reasonably and sensibly.

29. COURT PROCEDURES AND CHANGES

The current keynotes are as follows:

- parties to disputes must have access to justice, without costs impeding such access;
- the courts are to deal with each case justly, and to that end each case will be actively managed by the courts;
- each case should be dealt with in a fashion which is proportionate to the amount of money involved, the importance of the case, the complexity of the issues and the financial position of each party;
- each case should be dealt with expeditiously and fairly;
- the courts are insistent that their directions about how each action should proceed are followed by the parties;
- the courts are intent on making litigation more cost effective and may make costs budget provisions;
- the rules encourage settlement of disputes, largely by exposing parties to the risk of enhanced interest

entitlements and costs entitlements if a party's claim (or defence) is upheld by the court at final trial on terms better than may have been offered during settlement negotiations;

- the courts encourage settlement negotiations at all stages of a dispute, whether informally or more formally, such as through a meeting mediated by an independent third party.

Parties who do not comply with the rules are more likely to be sanctioned by way of adverse costs orders, which will have to be paid immediately. Because the courts now require cases to move quickly, and because parties are expected to set out the basis of and amounts of their claims at an early stage in detail, costs tend to be front-end loaded.

The English court system is still undergoing various changes and is likely to experience further changes. Its objectives in doing so include; achievement of the best value for money, continuous improvement of performance and efficiency across all aspects of the courts' work and promotion of a modern, fair, effective and efficient justice system that is available to all. During these changes, there are and will continue to be, inevitably, various staffing, funding and practical issues, which may result in inefficiency and delays with the system, and which is not helped by the pressure on the court system budget. These may result in costs implications for clients. We will make every effort to ensure that the court process is as efficient as possible, but there are aspects of it outside of our control.

30. COSTS ENTITLEMENTS AFTER COURT PROCEEDINGS START

Whilst in low value cases the courts fix a prescribed amount of costs for certain types of work (most of those involving less than £10,000, only court fees and witness expenses), the general rule of thumb is that a successful party is entitled to recover from the losing party between 50% and 85% of their legal costs and expenses. If the case is won, incurring legal costs and expenses of, for example £10,000, you will therefore normally be entitled to recover between £5,000 and £8,500. If the case is lost you will probably be ordered to make a contribution towards your opponent's costs of a similar percentage range of their costs.

If such costs entitlement is not agreed by the parties, the court will award a fixed hourly rate depending on the lawyer(s) involved. The rates allowed will normally depend on each lawyer's individual qualifications or experience. It will also depend on the location of the parties' solicitors; due primarily to overhead cost differences the rates allowed for us will be lower than the rates allowed, for example, for a London firm. The court will exercise a wide discretion in assessing the amount of costs to which a successful party is entitled.

Costs issues are increasingly complicated by the availability of damages based agreements and conditional fee

arrangements for either or both parties to a dispute. How disputes are funded can have a significant impact on the risk that a client takes, or faces, and the outcome of the litigation.

The following cautionary points should be noted. Even if litigation is successful, occasionally the losing party may not be ordered to pay the successful party's costs. Costs are in the discretion of the court, which can be exercised arbitrarily. A more common occurrence is that a losing party is not capable of paying the full amount of the successful party's costs (and any other) entitlements.

31. INFORMATION SHEETS

We have a series of court proceedings information sheets, dealing with many aspects of the court process, and which we will be pleased to supply to you.

Prettys Solicitors LLP

April 2019