

STONEHAGE FLEMING ADVISORY (IOM) LIMITED

TERMS OF BUSINESS



STONEHAGE
FLEMING

NOW AND FOR FUTURE GENERATIONS

1. APPLICATION OF TERMS OF BUSINESS

- 1.1 The Stonehage Fleming Group is comprised of several entities situated in a number of countries (the “Stonehage Fleming Group” hereafter). Stonehage Fleming Advisory (IOM) Limited (“SFAL”) is not regulated or authorised by the Solicitors Regulation Authority (the “SRA”) and as a firm of Registered Legal Practitioners in the Isle of Man it is not regulated by the Isle of Man Law Society. SFAL employs lawyers qualified in various jurisdictions including solicitors of England and Wales (“Solicitors” hereafter), who are individually regulated by the SRA, and lawyers qualified in the Isle of Man (“Manx Advocates” hereafter) who are individually regulated by the Isle of Man Law Society.
- 1.2 These Terms of Business will govern your relationship with SFAL unless agreed otherwise in writing by a director of SFAL. Your acceptance and agreement of these terms will be assumed from your continuing to engage us.
- 1.3 References in these Terms of Business to “we” and “us” are to each relevant individual, entity or partnership forming part of the Stonehage Fleming Group.

2. SCOPE OF OUR ENGAGEMENT

- 2.1 The nature, extent and content of our services will be determined by the specific nature, scope and limitations of your instructions from time to time, as well as the amount and accuracy of information provided to us and the timescale within which you require our services to be provided.
- 2.2 If at your request we provide our advice in an abbreviated format or timescale, you acknowledge that you will not receive all the information and advice you would have done had we provided a full written report or had more time in which to carry out the work.
- 2.3 It is your responsibility to provide us promptly with all information and documents necessary for us to advise you in relation to our engagement and to ensure that such information and documents are true, accurate and complete in all material respects and are not misleading. We rely on the accuracy of information provided to us by you or by others on your behalf. We will not normally seek to verify or check any information provided to us by you or others on your behalf and you acknowledge that we shall be entitled to rely on such information when carrying out your instructions.
- 2.4 All work done and advice provided by us is for your use and benefit only and may not be supplied or passed on to any other person without our prior written approval. Our duty of care is to you as our client, not to third parties, connected persons or any parties associated with you, unless such responsibility is accepted by us in writing. Furthermore, disclosure may constitute a waiver of legal advice privilege.
- 2.5 If instructions are given by more than one person or company, we may choose to treat any one or more of those parties as our client; this includes situations where one person or company instructs the firm on behalf of another party.

3. FEES

- 3.1 Details of the rates for the persons involved in your work will be set out in the initial Letter of Engagement and are available on request. These rates are exclusive of value added tax (“VAT”) and are normally reviewed with effect from 1 May each year, but may be reviewed at other times.
- 3.2 Rates charged for specific staff members change as they increase in seniority. Our charges are calculated at the rates which are current when the work is done.



- 3.3 If a transaction or other matter is aborted, our fees will still be payable. You will remain responsible for our fees and disbursements even if there is an agreement from a third party to pay them on your behalf.
- 3.4 Estimates are given only as a guide and should not be regarded as a firm quotation unless this is agreed in writing.
- 3.5 A special fee arrangement (such as a fixed or capped fee) agreed for a matter will not cover additional work not identified when the arrangement was agreed.
- 3.6 Estimates and special fee arrangements are given exclusive of VAT and disbursements.

4. DISBURSEMENTS

- 4.1 We will often incur expenses (“disbursements”) on your behalf in the course of a matter. These may include couriers, searches, registrations, transcripts, counsel’s and other third party fees, travel, accommodation, telephone calls, faxes, document production and other expenses.
- 4.2 We are entitled to recover from you the cost or an amount in respect of disbursements incurred. With regard to disbursements relating to office systems, such as printing, electronic communication and telephone charges, we charge a fixed fee on each invoice, usually one per cent of the fee charged, subject to a minimum adjusted by us from time to time.
- 4.3 We will normally obtain your approval before incurring any substantial disbursements. We may also either require you to provide us with sufficient funds to cover such disbursements or arrange for the person providing the services to invoice you directly. If we pay any such disbursements on your behalf, we will invoice you for them and payment will be due from you on delivery of the invoice.
- 4.4 If we have to incur additional expenses for non-professional staff working overtime on evenings or weekends in order to provide an effective service to you, we may charge you for such additional expenses and include these expenses as a separate item on our invoices to you.

5. VAT

- 5.1 All fees quoted, disbursements and other charges are exclusive of VAT. If we are satisfied that our services are outside the scope of VAT, we will not charge VAT.
- 5.2 In order to enable the VAT status of our services to be classified correctly, in particular in relation to European Union business clients, you must provide to us such evidence as we may reasonably require for this purpose. If our services are subject to VAT, you must indemnify us fully on demand for any interest, penalties or legal costs as a result of any information provided by you on your VAT status not being correct.
- 5.3 If our invoices are not payable by you as our client but by a third party, you will still be liable for any VAT in respect of our charges. Where a third party is to pay our fees the third party will not usually be able to recover the VAT element.

6. BILLING

- 6.1 Our experience shows that regular billing gives clients much better control over the progress and cost of work done and it assists us in budgeting and cash flow planning. Accordingly, we will usually submit invoices on a monthly basis for current work, unless otherwise agreed in writing. If a transaction or other matter is expected to be completed within a short period we may agree not to deliver our bill until exchange or completion.



6.2 We reserve the right to issue a bill when we incur or agree to pay disbursements on your behalf, or on completion of a transaction or other matter.

6.3 We are always prepared to discuss the amount of any bill with you. If you have any questions you should, in the first instance, contact the person with overall responsibility for your matter.

7. PAYMENT TERMS

7.1 Payment to us is due on delivery of our invoice.

7.2 If the invoice is not paid in full within one month, we reserve the right to charge interest on the outstanding amount of the invoice at a rate of 4% above the base rate of Barclays Bank plc. Interest will accrue from one month after the date of delivery of the invoice to the date of payment.

7.3 If an invoice is overdue for payment, we may, on giving reasonable notice, suspend or terminate our services to you (and others with whom you are associated) and retain documents and papers belonging to you. We may exercise these rights irrespective of the matter to which the work or documents and papers relate.

7.4 When we are instructed by or on behalf of more than one person or company to deal with any particular matter, each person or company for whom we act will be jointly and severally liable for payment of the full amount of our fees, disbursements and VAT.

7.5 If arrangements are made for a third party to pay any of our fees or disbursements, or a court orders a third party to pay any part of our costs, you remain liable to pay any charges to the extent that the third party does not pay our invoice in full.

7.6 Our policy is to initiate recovery proceedings in respect of overdue amounts unless alternative arrangements are approved. If it is necessary to initiate any such recovery proceedings, we are entitled to recover from you, on a full indemnity basis, all costs (including legal costs) and expenses incurred by us in doing so.

8. PAYMENT ON ACCOUNT

8.1 In certain circumstances, we may require you to provide a payment to us on account of anticipated fees, disbursements and VAT. We are entitled to use that money as payment for sums due from you.

8.2 Any payment on account will be held in a general client account and we will pay to you a sum equal to the interest earned if the amount earned is over £30.

8.3 From time to time, we may ask you to replenish the account so that it does not fall below the required amount. Any funds in excess of our charges will be returned to you after the completion or termination of our services.

8.4 Unless otherwise stated, a payment on account is not an estimate or fixing of costs; our total costs in a matter may be greater than the payment on account.

8.5 Any money held by us on your behalf will be deposited with a bank or building society in the Isle of Man or England. We will not be held responsible for any loss occurring out of any default on the part of the institution concerned.

9. EXTERNAL LAWYERS

9.1 If we instruct counsel, lawyers in other jurisdictions or other professionals on your behalf, whether within the Stonehage Fleming Group, or otherwise, we will do so as your agent and you will be their client and you will be responsible for payment of their costs. If we pay the fees of any such foreign



lawyers or professionals, we will invoice you for them and payment will be due from you on delivery of the invoice.

- 9.2 Where any claim relates to services provided by any foreign lawyers or other professionals, you agree that you will only direct such claim against the relevant foreign lawyers for whom we shall have no liability.

10. CONFIDENTIALITY

- 10.1 We are bound by strict confidentiality rules and, accordingly, we will treat any commercially sensitive information about your business and affairs as confidential unless we are required to disclose any information (i) by applicable law, (ii) by any regulatory authority or (iii) to our professional indemnity insurers.
- 10.2 As you will understand, we owe the same duty of confidentiality to our other clients and therefore we will not disclose to you any information which we acquire in confidence in relation to any other matter without the person's prior consent.
- 10.3 Our name and opinions may not be used in connection with any prospectus, financial statement or other public document or representation without our written consent.

11. CONFLICTS OF INTEREST

- 11.1 Conflicts of interest may occasionally arise, for instance, where we discover information that is relevant to you while acting for other clients, but making a disclosure to you would conflict with our duty to them. If we identify a conflict of interest we will notify you promptly. We may, however, be obliged to withhold the relevant information or terminate our engagement in relation to the particular matter (or both).
- 11.2 You consent to us acting following the termination of our retainer with you for another client notwithstanding that the firm holds, or might hold, confidential information in relation to you that might reasonably be expected to be material to that other client. We will of course protect the confidentiality of that information and not disclose it to another client during the course of acting for them and we will only act for such other client where it is reasonable in all the circumstances to do so.

12. COMMUNICATION

- 12.1 Unless you let us know otherwise, we will assume that you are content for us to communicate by email, mail or third party courier.
- 12.2 Use of internet e-mail carries certain risks. Confidentiality may be breached, messages may be lost or delayed, or may not be read and viruses may be transferred through the use of e-mail. We cannot accept responsibility for loss which you suffer as a result of the use of internet e-mail for communication between us, or between Stonehage Fleming and third parties.
- 12.3 We make efforts to protect the integrity of our computer system by screening for viruses on e-mails sent and received. We suggest that you do the same for your computer system.
- 12.4 We do not routinely encrypt email.
- 12.5 We suggest that, when sending a time critical e-mail to us, you telephone to ensure that the intended recipient is aware that a message has been sent.
- 12.6 If you have any doubts about the authenticity of any communication or document that appears to have been sent by us, please contact us immediately.



13. DATA PROTECTION

- 13.1 We will comply with the provisions of prevailing data protection legislation, as a data controller, when processing your personal data.
- 13.2 For an explanation on how we collect, use and disclose your personal data and your rights as a data subject, please see our privacy notice.
- 13.3 In signing the Letter of Engagement you confirm that the personal data and other information provided to us is current, accurate and complete.

14. TERMINATION OF OUR ENGAGEMENT

- 14.1 You may terminate our services at any time by giving us reasonable written notice.
- 14.2 We may decide to stop acting for you only where we have reasonable grounds to do so, which would include without limitation where (i) there is a breakdown in confidence between us and you, (ii) we are unable to obtain proper instructions and / or (iii) where any of our invoices remain unpaid. In this event a written notice of our intention to terminate with an explanation of the reasons will be provided
- 14.3 If our instructions are terminated, we are entitled by law to retain your papers and documents if there is any money owing to us or there is any liability outstanding for which we remain liable without recourse.
- 14.4 On termination, a final invoice will be delivered which is payable on receipt.
- 14.5 Termination will not affect any parts of these Terms of Business which may have any application or effect in the future, which will continue in full force and effect.

15. REGULATORY STATUS

- 15.1 SFAL is not authorised and regulated to provide legal services by the SRA or any other approved regulator under the English Legal Services Act 2007. SFAL is a firm of Registered Legal Practitioners in the Isle of Man and is not regulated by the Isle of Man Law Society. The Isle of Man Advocates Disciplinary Tribunal has jurisdiction over all lawyers employed by SFAL for disciplinary purposes. SFAL is supervised by the Isle of Man Financial Services Authority in respect of anti-money laundering requirements.
- 15.2 SFAL employs lawyers qualified in various jurisdictions including Solicitors who are individually regulated by the SRA and are required to comply with the SRA's Overseas and Cross-border Practice Rules. Manx Advocates are individually regulated by the Isle of Man Law Society.
- 15.3 As SFAL is a non-regulated organisation, it is not required by the SRA to have professional indemnity insurance that meets the SRA's minimum terms and conditions. For SRA regulated firms, there is a compulsory minimum level of insurance to protect clients in case something goes wrong. SFAL does in any event hold professional indemnity insurance in excess of the minimum terms and conditions required by the SRA of regulated firms. Please contact us should you require any further information in relation to our professional indemnity insurance.
- 15.4 Unlike clients of SRA regulated firms, clients of non-regulated organisations are not able to make claims to the SRA Compensation Fund. The SRA Compensation Fund is a discretionary fund which may help clients where they believe that a regulated firm owes them money. Clients may only claim on the SRA Compensation Fund in certain circumstances for instance if business turnover is under £2m per year.



- 15.5 Unlike Solicitors working in SRA regulated law firms, Solicitors working in a non-regulated organisation are not permitted to provide reserved legal activities to clients. Reserved legal activities include the exercise of a right of audience; the conduct of litigation; reserved instrument activities; probate activities; notarial activities and the administration of oaths.
- 15.6 The SRA's client account rules do not apply to SFAL nor the Solicitors. Similarly, the Isle of Man Advocates Accounts Rules do not apply to SFAL nor the Solicitors or Manx Advocates employed by SFAL. As a matter of good practice, we are guided by the SRA client account rules when holding client's money on account.

16. LIMITATION ON LIABILITY

- 16.1 SFAL is a limited liability company. Any liability arising out of or related to these terms of business, or otherwise arising out of or related to the services provided by SFAL to you shall be a liability of SFAL and not of a member, employee, agent or consultant of SFAL or any subsidiary entities. You agree that you will not bring any such claim against a member, employee, agent or consultant personally.
- 16.2 Any advice given to you by an individual member, employee, agent or consultant of SFAL is done so on behalf of SFAL and not in their individual capacity, and you acknowledge that no special duty is owed to you by any individual member or employee or consultant of SFAL.
- 16.3 SFAL's liability to you howsoever arising out of or in connection with our engagement or the services we provide will not include (a) consequential or indirect loss and (b) loss of revenue, profits or goodwill (even if regarded as direct loss), in any case whether or not such loss might have been foreseeable at the start of the matter.
- 16.4 SFAL's liability to you howsoever arising will be limited to that proportion of the debt or damage (including interest and costs) suffered by you, which is ascribed to us by a court of competent jurisdiction having regard to the contribution of any other person responsible and/or liable to you for such debt and damage (debt and damage having the same meaning as in the Civil Liability (Contribution) Act 1981). For the purpose of assessing the contribution to the debt and damage in question of any other person pursuant to the preceding sentence, you agree that no account will be taken of any limit imposed on the amount of liability of such person by any agreement made before the loss and damage in question occurred.
- 16.5 Without prejudice to the above limitation, SFAL's aggregate liability to you in connection with this particular engagement shall not exceed £3 million.
- 16.6 SFAL, its members, employees, agents or consultants shall not be liable to any third party (other than you) for any losses, damages, liabilities, claims, demands, interest or cost arising out of or in connection with the provision of services to you.
- 16.7 The above provisions will have no application to our liability for death or personal injury or other liability that cannot lawfully be excluded or limited such as a liability arising as a result of fraud on our part.

17. DOCUMENT STORAGE

- 17.1 We usually keep files and papers relating to client matters for 6 years from the date we cease to work on that matter, after which we may dispose of them (other than title documents, deeds and certificates) as we reasonably consider appropriate.
- 17.2 In the case of tax advice, trusts and deeds we will retain records for a period of 13 years from the date we cease work on the matter.



- 17.3 Some documents that come into our possession may belong to you. We will normally return these documents (and title documents, deeds and certificates) at the earliest opportunity, subject to our right to retain possession as security for payment of sums owed to us by you or otherwise as required by law. However, it is likely that, over a period of time, less important records that are your property will be filed with our own papers. Unless you previously request us to return them to you, we will destroy any papers that, in our opinion, do not warrant retention at the time that we destroy the other papers relating to your work.
- 17.4 We may also without your specific consent transfer paper files to electronic or other reduced format insofar as permitted by law and applicable professional rules to do so.

18. MONEY LAUNDERING PROTECTION

- 18.1 We are under a professional and legal obligation to keep the affairs of clients confidential. This obligation is subject to exception pursuant to legislation on money laundering and terrorist financing which places us under a legal duty in certain circumstances to disclose information to the Isle of Man Financial Intelligence Unit.
- 18.2 If we have a suspicion of money laundering we will be required to disclose this to the authorities and not to disclose the fact that we are doing this to any person, including our client. In the event of our making such disclosure, we do not accept any liability for any losses, damages, costs, claims, expenses or liability arising from our compliance with the appropriate legislation.
- 18.3 We do not accept cash from clients.

19. GOVERNING LAW

- 19.1 These terms are governed by Isle of Man law.
- 19.2 Any disputes arising in connection with these terms or our services are subject to the non-exclusive jurisdiction of the Isle of Man courts.

20. THIRD PARTIES

It is not intended that any of the terms of our engagement with you will be enforceable by a third party, whether under the Isle of Man Contracts (Rights of Third Parties) Act 2001 or otherwise, save that any member, partner, employee, agent or consultant of SFAL or of the Stonehage Fleming Group of companies will be entitled to rely on the limitations on liability section of these terms of business.

21. GENERAL

- 21.1 When your instructions on a matter are completed, our representation will end. We will only advise you further on issues arising from the matter (e.g. implementation and other dates or changes in relevant law or regulation) if you specifically engage us to do so.
- 21.2 If at any time the practice of SFAL is transferred to a successor firm (including a company or limited liability partnership) all work on which we have been instructed by you may be carried out by the successor firm and references to “we” and “us” in these Terms of Business will from the date of the transfer be interpreted as references to the successor firm.

22. COMPLAINTS

- 22.1 If you are unhappy about any aspect of the service you have received, or about an invoice, you are entitled to complain. Please direct any complaint in writing to The Compliance Officer, Stonehage Fleming Advisory (IOM) Limited, Falcon Cliff Palace Road, Douglas Isle of Man, IM2 4LB British Isles.



- 22.2 SFAL has an internal complaints procedure, a copy of which is available on request.
- 22.3 The SRA can help you if you are concerned about the behaviour of a SFAL Solicitor. If you are concerned about issues such as dishonesty, taking or losing your money or treating you unfairly because of your age, a disability or other characteristic, you can raise your concerns with the SRA. Contact email: report@sra.org.uk
- 22.4 The SRA and the Legal Ombudsman may help you if you have a concern about the service provided by a SFAL Solicitor and /or their professional conduct. Please note that the Legal Ombudsman will not take complaints in respect of non-regulated organisations such as SFAL. The Legal Ombudsman will look at your complaint independently and it will not affect how the SRA handles your complaint. You can write to the Legal Ombudsman at PO Box 6167, Slough, SL1 0EH or email them at enquires@legalombudsman.org.uk or telephone them on 0300 555 0333.
- 22.5 Before accepting a complaint for investigation, the Legal Ombudsman will check that you have tried to resolve your complaint with SFAL and the SRA first. If you decide that you wish to take your complaint to the Legal Ombudsman, you must yourself take your complaint to them:
- 22.5.1 After you have first used SFAL's internal complaints procedure and in any event within 8 weeks of making a complaint if it has not been resolved to your satisfaction;
 - 22.5.2 Within six months of receiving a final response to your complaint from the SRA; and
 - 22.5.3 No more than six years from the date of act/omission about which you are complaining; or
 - 22.5.4 No more than three years from when you should reasonably have known there was cause for complaint.
- 22.6 If you have a complaint in respect of a SFAL Solicitor or Manx Advocate, you may make the complaint in writing to the Advocates' Disciplinary Tribunal, Tribunals Office, Isle of Man Courts of Justice, Deemster's Walk, Bucks Road, Douglas, Isle of Man IM1 3AR. Before doing so, you should first have exhausted SFAL's internal complaints procedure.



