

STRICTLY PRIVATE AND CONFIDENTIAL AND LEGALLY PRIVILEGED

BY EMAIL ONLY

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Our Ref
SEGO/WAD/Continental Aerospace

Your Ref
TBC

Date
11 March 2024

Dear Cipriani & Werner PC

Letter of Engagement and Terms of Business Security Incident: Continental Aerospace Technologies, Inc

Thank you for your instructions to act in this matter.

We set out in this letter and the annexed Terms of Business the basis on which Clyde & Co LLP would be pleased to act for Cipriani & Werner P.C. ("**C&W**") with effect from 01 March 2024. We note that C&W is acting for Continental Aerospace Technologies, Inc ("**Continental** ") in the United States ("**US**"), and that its insurance carrier is Coalition.

1 Scope of work

- 1.1 Continental Aerospace Technologies is a global leader in General Aviation, serving Original Equipment Manufacturers, flight schools, fleet customers and pilots out of its manufacturing and service centers across the US, Europe and China. Continental has a physical presence in the US and in Germany.
- 1.2 On 13 February 2024, Continental discovered that the company's servers in the US had been the subject of a ransomware attack after it received antivirus alerts. We understand that a ransom demand has been made by the threat actor ("**Threat Actor**") in respect of exfiltrated data ("**Incident**"). We understand that the Incident has not impacted the company's servers in Germany (as the IT environment in Germany is separate from the US) and that Continental understands that the data involved in the Incident concerns Legal, Financial and HR information.
- 1.3 We understand that Continental is concerned about litigation, which is reasonably in prospect, including (i) regulatory proceedings by applicable regulatory bodies including but not limited to data protection authorities and financial regulators, (ii) claims by data subjects impacted by the Incident, (iii) claims by customers including those who have suffered a loss due to the Incident and (iv) recovery action(s) against any third parties responsible for the Incident.
- 1.4 Subject always to your specific instructions, we will provide advice in relation to the Incident, including the following:

- (a) advise on the extent to which the UK/EU GDPR may apply to Continental 's processing of personal data in the context of the data potentially impacted by the Incident;
 - (b) advise on any potential reporting obligations pursuant to Articles 33 and 34 of the GDPR arising out of the Incident in relation to UK/ EU data subjects;
 - (c) coordinate and manage (with local counsel where required) any required regulatory notifications to applicable regulatory bodies including supervisory authorities (also known as data protection authorities) in the UK and/or European Union together with any resulting regulatory investigations, enforcement actions and challenges/appeals;
 - (d) coordinate and manage (with local counsel where required) any required regulatory notifications to applicable regulatory bodies including data protection authorities outside the European Union together with any resulting regulatory investigations, enforcement actions and challenges/appeals;
 - (e) engage third party experts on your behalf where required to in order to seek to protect where possible privileged, confidential and sensitive documents and communications from later disclosure; and
 - (f) act as coordinator for other jurisdictions in relation to which data may have been compromised, with the assistance of other Clyde & Co law offices or partner firms where required, in relation to which we will seek your prior written approval.
- 1.5 We may also assist Continental in managing any claims made following the Incident, pursuing any claims made and/or recovery actions by Continental , as required. Please ensure that all communications and steps to be taken in relation to the response process are referred to us in the first instance.
- 1.6 The immediate next steps will involve us: (i) asking any further questions of Continental as necessary and providing a note on GDPR applicability and advise on any resulting GDPR data protection notification obligations pursuant to Articles 33 and 34 of the GDPR; and (ii) advising Continental on any potential reporting obligations pursuant to the laws of Germany, Hong Kong and China (with assistance of local counsel from Clyde & Co). We provided a Scope of Work to C&W on 04 March 2024 with an initial budget of USD \$10,000 (excluding VAT or any other applicable taxes). This is an estimate and is not a fixed or capped cost. We will, of course, keep you updated if we consider that the scope of work and the related budget needs to be revised at any point.
- 1.7 Unless specifically agreed as part of this engagement letter, we will not advise on tax-related issues or on any ramifications of the United Kingdom leaving the European Union.

2 Our client

- 2.1 We will be acting for C&W which, in turn, is acting for Continental . We understand that our advice to C&W will be considered by C&W and may be passed onto Continental with further advice from C&W. We do not act for anyone other than our named client (C&W), and its client Continental and we do not accept duties to anyone else in respect of our work. In particular, where our named client is a company, we do not act for or accept duties to any other group company, and we do not act for or owe duties to any officer, director or employee of an entity or business unless he or she is our named client. Solicitors do, however, owe duties to the Court and other authorities which may on occasion override their duties to their clients.
- 2.2 We understand that our principal points of contact at C&W will be Nicholas Martin and Jason Goodwin.

3 Our team

3.1 Seaton Gordon is the Partner in the Cyber Team at Clyde & Co LLP who will be responsible for the delivery of the firm's work for you. He will be assisted on a day-to-day basis by Anna Barnett (Associate).

3.2 It may be necessary to involve other lawyers in order to ensure that the work is adequately resourced. We will always try to discuss this with you in advance, but occasionally it may be necessary to introduce other lawyers without consulting you with a view to ensuring that very urgent deadlines are met or absences by team members are adequately covered. We may also assign tasks to more junior colleagues where it is cost effective to do so.

4 Our charges

4.1 Our fees will be based on the amount of work carried out. We are pleased to offer you the same pre-agreed reduced rates we offer Coalition, as set out below:

Name and Role	Lawyer Grade	Hourly Rate (ex VAT / applicable taxes)
Seaton Gordon (Matter Partner)	Partner	USD553
-	Consultant/Legal Director	USD497
Anna Barnett	Senior Associate (PQE 5+ years)	USD462
-	Associate	USD427
-	Junior Associate (PQE 1 – 2 years)	USD385
-	New Associate (NQ – PQE 1 year)	USD301
-	Trainee/Paralegal	USD210

4.2 We will also charge any disbursements and other expenses we incur on your behalf. VAT will also be charged to you where applicable on fees, disbursements and expenses.

4.3 Clause 5 of our Terms of Business contains further information about our charges.

4.4 While we aim to provide you with the best information, we can about our likely charges it is often not possible to estimate these in advance with any accuracy, particularly when the work is at an early stage.

4.5 Continental shall be liable to pay our bills (including our fees and disbursements). C&W shall only be liable to pay our bills when C&W receives cleared funds for our bills from Continental and/or any related third party such as any applicable insurance carrier.

5 Billing

5.1 We will deliver interim bills on a monthly basis unless activity on the case justifies billing at more or less frequent intervals.

5.2 We ask that you pay bills within one month of receipt of cleared funds from Continental and/or any applicable insurance carrier. We therefore ask that you raise any questions about bills with us promptly. If payment is not made when due, we reserve the right to suspend activity on the file and to charge interest on the balance outstanding.

5.3 Clause 7 of our Terms of Business contains further information about billing.

6 **Payment on account of charges**

6.1 We may ask you to make payments on account of future charges (including disbursements).

7 **Limitation of liability**

7.1 Clause 15 of our Terms of Business contains important restrictions on our liability to you, which we ask you to review carefully. Your contract will be with Clyde & Co LLP, which will have sole responsibility for all work carried out.

8 **Privilege**

8.1 We will seek to ensure that our engagement shall, to the fullest extent possible, be subject to litigation privilege and legal advice privilege. As to litigation privilege, we refer to paragraph 1.3 above which explains the basis on which there is a reasonable prospect of litigation and litigation is reasonably contemplated. With regard to legal advice privilege, the core authorised client team shall include Nicholas Martin and Jason Goodwin of C&W together with Karen Hong and other authorised members of the Continental core team. There shall be no loss or waiver of confidentiality or privilege (including but not limited to litigation privilege and legal advice privilege) to the extent that we send our advice to Continental and C&W simultaneously (where requested to do so by C&W), or where C&W shares our advice (or extract/part thereof) with representatives from Continental and/or Coalition.

9 **Importance of complying with deadlines in English Court proceedings and regulatory investigations**

9.1 Where any matter is to be litigated in the English courts, you should be aware that changes to procedural rules, as interpreted in a decision of the Court of Appeal ("*Mitchell*") in November 2013, mean that strict case management of all matters is now applied in most courts. This means that time limits must normally be strictly complied with, that severe sanctions may be imposed for non-compliance with them, and that relief from sanctions will not be granted without very good reason. You should therefore be aware that if you fail to provide instructions or material (including evidence, documents or funds) required by a Court appointed deadline, your claim or defence may be struck out by the Court, or other sanctions may be applied including non-recovery of your own costs and/or payment of your opponent's costs.

9.2 Under relevant data protection regulations, there are also various timeframes which must be complied with, for instance notification deadlines to regulators, data controllers or data subjects.

9.3 We are responsible for giving you reasonable notice of deadlines once we are aware of them and for advising you of the instructions or material you are required to provide; but we cannot accept responsibility if your claim or defence is struck out or other sanctions are imposed whether by a court or regulatory authority if, after giving you such notice, you fail to provide the instructions or material necessary to enable the deadline to be met.

10 **Costs of litigation and other proceedings**

- 10.1 You should be aware that in court, arbitral or tribunal proceedings arising from the potential data breach:
- (a) You will be liable for the payment of our charges whether or not any costs orders are made in your favour against an opponent in the proceedings;
 - (b) If you win the proceedings, your opponent may not be ordered to pay or may not be capable of paying costs in an amount equivalent to our total charges;
 - (c) The court or tribunal may put an advance budget or cap on the costs you can recover if successful, which may be less than our eventual actual charges;
 - (d) You may in any event be ordered to pay a proportion of your opponent's costs in addition to our own charges;
 - (e) If your opponent obtains public funding (legal aid), you may not recover any of your costs even if you are successful;
 - (f) In arbitral or tribunal proceedings you may have to bear some, or all of the fees and expenses (including room hire) incurred by the arbitral panel or tribunal.

11 **Timescales**

- 11.1 The nature of this matter dictates that urgent and time sensitive steps need to be taken. Timescales will be driven by your ability to respond to queries promptly and provide information as and when it is required.

12 **Document retention for litigation or regulatory investigations and privilege**

- 12.1 It is vitally important that all documents and records relating to the Incident are retained. Under no circumstances should documents or records (including those held electronically) be destroyed. Please ensure that all relevant documents and computer logs are preserved as necessary.
- 12.2 Please also be aware that internal communications that are created in response to the Incident may not be protected by privilege and may need to be disclosed in the event of any subsequent litigation or regulatory investigation. It is important to establish a select group of individuals to deal with the incident and for lawyers to be involved in communications about the incident as much as possible.
- 12.3 Please let us know if you wish to discuss methods of communication further.

13 **Documents relating to matters in question in court, regulatory and other proceedings**

- 13.1 As previously noted, if you are a party in court, arbitral, tribunal, or regulatory proceedings you will normally be required to produce all the documents available to you which might advance or damage your own case or that of another party. It is therefore essential that you do not arrange or permit the alteration or destruction of any documents that may be relevant to the dispute: arrangements must be made to ensure that they are secured and preserved so that disclosure can be given in due course. These include:
- (a) documents relevant to the investigation of a cyber incident or remedial action;
 - (b) documents to be retained for future records; and
 - (c) documents to be retained for any potential third party disputes.
- 13.2 This includes documents held in any form, including electronically, such as emails, word processed documents and databases, and arrangements should therefore be made to

ensure that such documents are not deleted from computers, servers and other electronic devices and storage media. The duty to preserve documents continues until the proceedings and/or regulatory investigations are concluded.

14 **Witnesses**

- 14.1 It may be necessary to obtain witness statements from all personnel involved. We would be grateful if you would compile a list of personnel for interview at such time.

15 **Other recommendations**

- 15.1 Prior to the instruction of forensic IT experts (if not already instructed), please ensure you do not image or copy data or connect storage devices/media to the affected systems. Do not probe the computers or affected systems, run antivirus programs or reconnect affected systems.

16 **Client identity procedures**

- 16.1 In accordance with anti-money laundering legislation, we are required to obtain specific information and evidence to verify your identity. If adequate information and evidence is not forthcoming, we may be unable to act for you. Clause 10 of our Terms of Business contains more information about our obligations and procedures in this respect.

17 **Cybercrime**

- 17.1 As a firm holding client money, Clyde & Co LLP may be a target for cybercrime. We take this risk very seriously and do all that we can to ensure that your money is safe and secure with us.
- 17.2 If you need to transfer funds to us, please quote our file reference and for payments in sterling please use the bank account details set out below (if you are making a payment other than in sterling, please telephone me or a member of my team for our account details):

Account name: Clyde & Co LLP
Sort Code: 60-00-01
Account Number: 13569732

National Westminster Bank
City of London Office
PO Box 12258
1 Princes Street
London
EC2R 8PA

IBAN: GB69NWBK60000113569732
BIC: NWBKGB2LXXX
Swift BIC: NWBKGB2L

- 17.3 If at any point during our engagement you receive a communication (from someone within or outside of Clyde & Co LLP) indicating that our account details have changed, please telephone me, or a member of my team, to confirm that the bank details have in fact changed, before using those bank details to transfer money to us.

- 17.4 If we ever ask for your bank details, please do not provide these to us by email but in person, by post or by telephone. If we already have your bank details please advise us of any changes in person, by post or by telephone.

18 **Conflicts of interest**

- 18.1 The conflict and confidentiality rules to which Clyde & Co LLP adheres are those of the Solicitors Regulation Authority of England and Wales. Clause 11 of our Terms of Business contains important information regarding our approach to managing conflicts and confidentiality, which we ask you to review carefully.

19 **Data protection**

- 19.1 As a regulated law firm, we are a controller of the personal information we process in connection with our engagement under this letter.
- 19.2 In our capacity as a controller, we are responsible for ensuring that we process personal information in accordance with relevant data protection laws. As a result, we take our data protection responsibilities very seriously and we are committed to processing personal information in accordance with all relevant data protection laws.
- 19.3 Please see Clause 20 of our Terms of Business for further important information about data protection.

20 **Our service**

- 20.1 If you have any queries or concerns, please do not hesitate to contact me. If this does not resolve the matter to your satisfaction, or you would prefer to speak to someone else, please feel free to refer the matter to the Firm's Client Care Officer, Justine Cowling. Further details of our procedures in this respect are set out in our Terms of Business.

21 **Terms of Business**

- 21.1 The Terms of Business accompanying this letter contain further information about the basis on which Clyde & Co LLP will act for you. In the event of a conflict between the Terms of Business and what is set out in this letter, this letter will prevail. The Terms of Business, as updated from time to time, will apply to any future matter on which you instruct us.

Please let us know if you have any questions in relation to this letter and the Terms of Business. If you are content with them would you please sign and return the enclosed copy of the letter. If we do not hear from you regarding this letter, but it is clear that you wish us to proceed with the work, this letter and our Terms of Business will govern the terms of our engagement.

We look forward to working with you.

Yours faithfully

Clyde & Co LLP

CLYDE & CO LLP

We confirm acceptance of the terms in this letter and the accompanying Terms of Business.

Signed, for and on behalf of **Cipriani & Werner P.C.**

Signed:

Dated:

1 Definitions and Interpretation

In these Terms of Business and any associated engagement letter:

- 1.1 unless the context otherwise requires:
 - (a) references to **you** and **your** are to the client instructing us and named in the engagement letter;
 - (b) references to **we**, **us**, **our**, **Firm** and the like are to Clyde & Co LLP;
 - (c) references to **Partner** or **Partners** are to a partner or partners in Clyde & Co LLP;
 - (d) **Client Care Partner** means Clyde & Co LLP's client care officer/partner as identified in the engagement letter or as otherwise notified to you from time to time;
 - (e) **Clyde & Co Entity** means Clyde & Co LLP or any entity (including any partnership, company, limited liability partnership or other body corporate or unincorporate) established or practising in any jurisdiction and authorised by Clyde & Co LLP to include in its name 'Clyde & Co' or 'Beaumont & Son' or to describe itself as 'in association with' Clyde & Co LLP;
 - (f) **Clyde & Co Person** means any partner, member, officer, employee or consultant of Clyde & Co LLP or of any other Clyde & Co Entity;
 - (g) **Supervising Partner** means the Partner responsible for the Clyde & Co LLP team working with you on our engagement.
 - (h) the term **partner** is used to refer to a member of Clyde & Co LLP or an employee or consultant with equivalent standing and qualifications, or (where applicable) a person with equivalent status in another Clyde & Co Entity;
 - (i) words importing the singular shall include the plural and vice versa, words importing a gender shall include all genders and words importing persons shall include bodies corporate, unincorporated associations and partnerships;
 - (j) any reference to **persons**, includes natural persons, firms, partnerships, companies, corporations, associations, organisations, governments, states, governmental or state agencies, foundations and trusts (in each case

whether or not having separate legal personality and irrespective of the jurisdiction in or under the law of which it was incorporated or exists);

- (k) a reference to a statute or statutory provision is a reference to that statute or statutory provision and to all orders, regulations, instruments or other subordinate legislation made under the relevant statute;
- (l) any reference to a statute, statutory provision, subordinate legislation, code or guideline (**legislation**) is a reference to such legislation as amended and in force from time to time and to any legislation which re-enacts or consolidates (with or without modification) any such legislation; and
- (m) any phrase introduced by the terms **including**, **include**, **in particular** or any similar expression shall be construed as illustrative and shall not limit the sense of the words preceding those terms.

2 Clyde & Co LLP

- 2.1 Clyde & Co LLP is a limited liability partnership registered in England and Wales with registration number OC326539. Clyde & Co is the trading name of Clyde & Co LLP. The VAT number of Clyde & Co LLP is GB-160-5013-55.
- 2.2 A list of the members of Clyde & Co LLP and non-members who are designated as Partners is open to inspection at its registered office at The St Botolph Building, 138 Houndsditch, London EC3A 7AR. Members are either solicitors or registered foreign lawyers.
- 2.3 Clyde & Co LLP is authorised and regulated by the Solicitors Regulation Authority (www.sra.org.uk).

3 Terms of Business

- 3.1 These Terms of Business relate to engagements undertaken by Clyde & Co LLP in the United Kingdom.
- 3.2 These Terms of Business, together with any engagement letter, set out the terms and conditions upon which we agree to be engaged by you, to the exclusion of all other terms that you or we may purport to apply in connection with our engagement

(unless otherwise agreed in writing between you and us).

4 Respective responsibilities

- 4.1 We aim to offer you a friendly and efficient service. We will exercise reasonable skill, care and diligence in carrying out your instructions.
- 4.2 Our advice will be limited to English law and, unless otherwise agreed between you and us, we will not supply you with advice on the laws of any other jurisdiction.
- 4.3 We do not act for or accept duties to any of your parent, subsidiary or affiliated companies or for any of your officers, directors or employees, each of whom will (unless otherwise agreed by us) be deemed to have separate interests from you with respect to this, and any future, engagement.
- 4.4 Our role is to act as legal adviser; it is not part of our role to advise on commercial, financial or business issues. In particular, we do not advise on the commercial or financial viability or merits of transactions, or the business risks that may be associated with them.
- 4.5 Unless specifically agreed as part of our engagement, we will not advise on tax-related issues. We do however have certain tax reporting obligations which are more fully explained at clause 27.
- 4.6 You agree that during the course of our engagement you will:
 - (a) give us clear and prompt instructions and keep us informed of developments in your matter;
 - (b) co-operate with us to progress your matter;
 - (c) not ask us to work in an improper or unreasonable way; and
 - (d) safeguard documents which are likely to be required and provide promptly all relevant information and documents, including all information and documents that we request, in connection with your matter.

5 Fees and disbursements

- 5.1 Unless otherwise agreed, work is charged in six minute units, using hourly rates based on seniority and experience.
- 5.2 Our hourly rates are subject to periodic review. We will inform you of any changes proposed. In addition, rates charged in respect of individual lawyers may change as they increase in seniority.
- 5.3 We reserve the right to propose an uplift to our fees in any interim or final bill if the circumstances justify this.
- 5.4 Our fees are exclusive of VAT, which must therefore be added (where chargeable under current legislation).
- 5.5 We charge separately for disbursements, such as court fees, counsel's fees, expert fees, correspondent lawyers' fees and search fees, and for expenses such as photocopying, printing, travelling, couriers and out of pocket expenses.
- 5.6 Disbursements and expenses may be subject to VAT, which will be payable in addition where applicable.
- 5.7 In the case of overseas clients, where our fees are paid subject to any deduction or withholding in respect of tax in any non-UK jurisdiction, we reserve the right to charge you an additional amount which will, after any deduction or withholding has been made, leave us with the same amount we would have received in the absence of any such deduction or withholding.
- 5.8 We reserve the right to charge you for any losses incurred on foreign currency disbursements as a result of changes in the exchange rates between the date of our rendering our invoice and its date of payment.
- 5.9 Any movement in exchange rates relating to UK pounds sterling, whether or not caused by the UK leaving the European Union, will not affect your responsibility to pay our fees under these Terms of Business (together with any engagement letter).
- 5.10 Where we act for more than one client in relation to a matter you agree that each client will, unless otherwise agreed by us,

be jointly and severally liable for our charges.

6 Payments on account, client funds and interest

6.1 We may ask you for payments on account of fees and/or disbursements from time to time. It is a condition of our acceptance of your instructions that you agree to make such payments if requested, and we reserve the right to decline to act further if you do not comply promptly with such a request. It should be clearly understood that the total of our fees and disbursements in the matter may amount to more than the payments on account requested from you.

6.2 Payments on account and other monies received on your behalf to be held by us will be placed in a client account. Unless you instruct us otherwise in writing, monies will be held in a general client account at a leading UK clearing bank with a view to ensuring that they are immediately available as required by the SRA Accounts Rules. The rate of interest paid is therefore unlikely to be as high as you could achieve by placing the money on deposit yourself.

6.3 We will pay interest on cleared funds as follows:

- (a) where money is held in a general client account, interest will be calculated at the prevailing rate which the bank advises would be paid if the money were held in a separate instant access client account, save that we will not normally pay any interest if the sum so calculated over the lifetime of your matter is less than £50; and
- (b) where (following a written request from you) we place money in a separate designated client deposit account we will account to you for all interest paid on the deposit by the bank.

6.4 We will debit you with any charges arising if a bank should impose a negative interest rate or make other charges for holding client money, or if it is necessary to incur charges in order to release funds placed on deposit in accordance with your instructions.

6.5 We may apply any client account funds held on your behalf to the settlement of outstanding bills on this or any other matter on which we are instructed by you.

6.6 We shall not have any liability to you in respect of loss of client funds or any other loss you may suffer by reason of any act, omission, failure, fraud, delay, negligence, insolvency or default of any bank, financial institution, clearing or payments system, or regulatory, governmental or supra-national body or authority.

7 Bills

7.1 If you wish to set a limit on fees and disbursements to be incurred or on the length of time which may elapse before we render a bill to you, please let us know by writing to the Supervising Partner for your matter.

7.2 Unless otherwise agreed in writing, we have the right to render interim bills at monthly intervals or other periodic intervals which we regard as appropriate in the circumstances of any particular case. Such bills are final accounts for the periods covered by them (unless otherwise stated), save that disbursements may be billed separately and later than the bill for our fees in respect of the same period.

7.3 Each bill must be paid within one month of receipt. Thereafter, we are entitled to charge interest on any outstanding amount of the bill at an annual rate of 4 per cent above the base rate of Barclays Bank plc from time to time, which interest shall accrue on a daily basis from the due date to the date of payment of the outstanding amount in full.

7.4 If arrangements are made for a third party to pay any of our fees or disbursements or VAT, you remain responsible for the payment of any charges to the extent that the third party does not pay our bill in full. This includes any case in which we have been instructed by your insurers to represent you under a policy of insurance.

8 Estimates of fees and disbursements

8.1 We are always happy to provide estimates of fees and disbursements upon request, where possible. However, it is important

to remember that it may not be possible to predict the exact amount of work which will be required and that the stance adopted by opponents, or other parties to a transaction, can significantly affect matters.

- 8.2 We do not give oral estimates and any estimate given must be in writing and signed by a Partner. Estimates are given only as a guide and should not be regarded as a firm quotation, unless this is agreed in writing.

- 8.3 Estimates are given exclusive of VAT.

9 Your rights

- 9.1 If you are unhappy with our bills, you have certain rights.

- 9.2 You may object to a bill using the complaints procedure explained in Clause 23 of these Terms of Business.

- 9.3 You also have a right, under Part III of the Solicitors Act 1974 and subject to certain criteria, to apply to have our charges reviewed by the court (this is called 'assessment').

- 9.4 We will be happy to explain these rights further to you, if you wish. If you would like to discuss any of our bills, you should in the first instance contact the Supervising Partner. If this does not resolve the matter to your satisfaction or you would prefer not to speak to the Supervising Partner, please feel free to contact our Client Care Partner.

10 Client Due Diligence

- 10.1 In accordance with our own risk management policies or where required by applicable anti-money laundering legislation and regulation we will verify your identity and we can accept your instructions only on the basis that you can properly identify yourself (and any persons whom you represent) to us. We take our obligations seriously to protect both us and our clients and if we do not receive sufficient evidence of identity within a reasonable time of our request, we reserve the right to decline your instructions. Our verification of identity may include the use of electronic verification services and/or require you to

provide us with original documents, which we will copy for our records.

- 10.2 Under applicable anti-money laundering legislation and regulation, we may also need to raise enquiries as to the source of client assets and the source of funds to be used with each engagement. We may also be required to make further enquiries of your identity, even after your instructions have been accepted by us and you are a client of the firm, for example where the level of risk attributable to you or your matter changes. We may need to cease acting if we do not receive, within a reasonable timeframe, sufficient additional evidence to enable us to comply with our legal and regulatory obligations. Where we need to cease acting for you in circumstances where you are unable or unwilling to provide us with any further evidence we require, you will be charged for, and will remain liable to pay for, any work done up until the time we cease acting.

- 10.3 We do not accept the receipt of sums of money in cash. In addition, we will not accept funds from any source unless that source is one which has previously been identified to our satisfaction and from which we have agreed to accept funds. If this is not the case, the funds will be dealt with in accordance with applicable law and regulation. In the event that we are unable to accept funds from the source in question, you will remain responsible for the payment of our fees, disbursements and VAT and the discharge of any other liabilities which the funds were intended to meet.

11 Confidentiality and conflicts

- 11.1 The rules of professional conduct under which we practise impose requirements upon us regarding conflict between the duties we owe to different clients in relation to the same or related matters and regarding preservation of our clients' confidences.

- 11.2 The legal knowledge and experience of Clyde & Co LLP derives from its ability to act for many clients at any one time, and we wish to retain this ability for the benefit of all our clients. It is therefore likely that some of our other clients will operate in the same industry or sector as you and that

- some may have, or develop, commercial interests adverse to you.
- 11.3 The conflict rules to which Clyde & Co LLP adheres are those of the Solicitors Regulation Authority in England and Wales. These rules preclude us from acting for one client against another in respect of the same or related matters but permit us to act for one client against another (including in litigation and other dispute resolution work) if the matters are unrelated and provided that we take appropriate steps to protect the confidentiality of information that we hold for either client. We are not obliged to disclose to you our representation of clients who may have interests adverse to yours on unrelated matters. By the same token, we will not without your consent disclose to other clients our representation of you.
- 11.4 Similar rules apply in most countries where Clyde & Co Entities operate, but not in the United States, where lawyers are generally precluded from acting for one client adversely to another client in any matter unless all relevant clients consent. So as to provide certainty, you agree that:
- (a) any issue regarding our ability to represent you in this matter, including any disclosure **requirements** we may have to you, shall be determined solely by the rules of the Solicitors Regulation Authority of England and Wales; and
 - (b) if any issue should be raised in this or any other jurisdiction as to whether our representing you in this matter should preclude Clyde & Co LLP or any other Clyde & Co Entity from acting against you in another matter it will be determined solely by reference to the rules of the Solicitors Regulation Authority of England and Wales and not by reference to the rules of professional conduct of any other jurisdiction.
- 11.5 We shall take appropriate steps to preserve your confidential information both during the matter and after its completion, and it is agreed that we may use internal information barriers for this purpose. We owe the same obligation to other clients and you agree that we shall not be required, and you will not expect, us to divulge to you confidential information held for other clients. If, while representing you, we learn that your interests are adverse to another client or potential client of Clyde & Co LLP (or another Clyde & Co Entity), we may (in accordance with our professional rules) approach you to seek your agreement to our continuing to act on terms satisfactory to all concerned. In some circumstances, however, our professional rules may require that we cease to act.
- 11.6 Our confidentiality obligations are subject to certain exceptions, including where disclosure is required by law, regulation or an order of the court. An example is the legislation on money laundering and terrorist financing which has placed solicitors under a legal duty in certain circumstances to disclose information to the National Crime Agency. The duty includes where a solicitor knows or suspects that a client transaction involves money laundering. Under the legislation, we may not be able to inform you that a disclosure has been made or of the reasons for it.
- 11.7 We may disclose in confidence, to the extent possible, any information and documentation, including information and documentation over which you have a right to assert legal professional privilege, to our professional indemnity insurers, to our advisers, to any regulatory body to which we are subject, to any professional body of which we are a member, to our auditors and to the extent required expressly or by implication by any law, regulation or court order to which we are subject.
- 11.8 You agree that we are able to use third party service providers, subject to appropriate safeguards to maintain confidentiality, in order to provide our services to you (for example software service providers, cloud storage providers, photocopying services, document production agencies and translation services).
- 11.9 External firms or organisations may conduct audit or quality checks on our practice for legal or regulatory purposes. These external firms or organisations are required to maintain confidentiality in relation to your files.

11.10 Please also refer to Clause 19.3 below, which concerns our confidentiality obligations to you if you ask us to instruct agents on your behalf in a sanctioned jurisdiction.

12 Financial services

12.1 Matters upon which we are instructed may involve regulated activities within the meaning of the Financial Services and Markets Act 2000. We are not authorised under that Act and so may have to refer you to someone who is authorised to provide any necessary advice.

12.2 However, as we are members of the Law Society (which is a designated professional body for the purposes of the Financial Services and Markets Act 2000), we may be permitted to engage in certain limited regulated activities, provided that they are closely linked to the legal services we are providing to you. Any services we provide in this respect are regulated by the Solicitors Regulation Authority.

12.3 This Firm is not authorised by the Financial Conduct Authority. However, we are included on the register maintained by the Financial Conduct Authority so that we can carry on insurance distribution activity, which is broadly the advising on, selling and administration of insurance contracts as an ancillary insurance intermediary. This part of our business, including arrangements for complaints or redress if something goes wrong, is regulated by the Solicitors Regulation Authority. The register can be accessed via the Financial Conduct Authority website at www.fca.org.uk/firms/financial-services-register.

12.4 Further information on the regulatory framework and complaints procedure is given in Clause 23 of these Terms of Business.

13 Ceasing to act

13.1 If you wish to terminate our engagement at any time please notify the Supervising Partner and, if we so request, confirm the position in writing. No period of notice is necessary.

13.2 We reserve the right for good reason and upon reasonable notice to terminate our engagement, including if:

(a) you fail to comply with your responsibilities under Clause 4 of these Terms of Business; or

(b) our continuing to act would be impractical, unethical or contravene legal or regulatory requirements. For the avoidance of doubt, this includes but is not limited to, circumstances where we determine that our continuing to act could expose us to the risk of breaching any primary or secondary sanction, prohibition or restriction under United Nations resolutions or the trade or economic sanctions, laws or regulations of the European Union, United Kingdom or United States of America or any other applicable sanctions regimes, laws or regulations in the jurisdictions in which we operate and/or that by reason of any such sanction, prohibition or restriction our professional indemnity insurance might not respond in full in respect of a liability claim made by you in respect of this engagement; or

(c) we consider there to be a credit risk to us by continuing to act for you; or

(d) we consider we will be in breach of our banking covenants; or

(e) you are the subject of insolvency, liquidation or bankruptcy proceedings as defined by the laws of the jurisdiction where you are located.

13.3 We also reserve the right to decline to act further if you do not pay promptly any request for money on account or do not pay a bill within the due period.

13.4 Any termination by us will be confirmed to you in writing, if requested.

13.5 In certain circumstances, we may be required by law or regulation to suspend or terminate our engagement without giving any period of notice or reasons.

13.6 On termination of our engagement, we will submit a bill to you to cover work done and disbursements incurred in respect of the period up to the date of termination, and necessarily incurred afterwards as part of the orderly termination of our engagement.

13.7 Unless otherwise terminated, our engagement and our duty of care to you will end on the earliest of: (1) our completion of the scope of work set out in our Engagement Letter, (2) our written confirmation to you that the engagement is at an end, or (3) delivery of our final bill to you.

13.8 Clauses 5, 7, 9, 11.5, 13.6 to 13.7 (inclusive), 14, 15, 16, 17, 18, 19, 21.3 and 25 to 35 (inclusive) shall survive termination of our engagement as will any other provision of our engagement which, by its nature, is intended to survive such termination.

14 Files and documents

14.1 We may have the right to keep your papers, documents or other property which are in our possession until you have paid all the money that is due to us. This right will continue after the termination of our engagement.

14.2 We will retain all papers and documents (except for any papers and documents to which you are entitled, such as originals and deeds, and which you ask to be returned to you) electronically or in storage, including with our third party service providers, for a reasonable period, generally not exceeding ten years from the end of our engagement. You agree that we have your authority to destroy any documents and papers that we or our third party service providers continue to hold after this period.

14.3 Subject to there being no money owing to us for our fees and disbursements, we will return to you on request papers and documents to which you are entitled. Where you request papers and documents to be sent to you or another person, we are entitled to make a reasonable charge for handling costs and delivery.

14.4 You agree that we may disseminate documents arising from client matters to our staff on internal databases or intranets (which are confidential to the Firm).

15 Liability

15.1 Our liability to you under or in connection with our engagement, above the compulsory minimum level of professional

indemnity cover set by our professional rules from time to time, shall not exceed £25,000,000. This limit shall apply to any and all causes of action against us in respect of or arising from or in any way connected with our engagement by you. Where you instruct us on future matters, this Clause 15.1 shall also apply to each such future matter but with a fresh limit, as above.

15.2 Where instructions on any matter are from multiple clients, a single limit will apply to be shared by all such clients.

15.3 Without prejudice to Clause 17 and save as provided in Clause 19, your relationship will be solely with Clyde & Co LLP, and Clyde & Co LLP will have sole legal liability for the work done for you and for any act or omission in the course of that work. No Clyde & Co Person will have any personal legal liability for that work, whether in contract, tort (including negligence) or otherwise. In particular, the fact that a Clyde & Co Person signs in his or her own name any letter, email or other document in the course of carrying out that work will not mean that he or she is assuming any personal legal liability separate to that of Clyde & Co LLP.

15.4 You agree that any claim brought in respect of a matter upon which we are instructed will be made against Clyde & Co LLP and not against any Clyde & Co Person or any other Clyde & Co Entity.

15.5 However, in the unlikely situation that a court of competent jurisdiction allows you to make a claim, in respect of a matter upon which we are instructed, against Clyde & Co LLP and/or any other Clyde & Co Entity and/or any Clyde & Co Person, you agree that the restrictions and limitations of liability set out in Clause 15.1 and Clause 16 will apply as if Clyde & Co LLP, all other Clyde & Co Entities and all Clyde & Co Persons against whom a claim is made were a single entity. Accordingly, you will not be entitled to recover any more than the aggregate capped amount set out in Clause 15.1 from the combined resources (including applicable insurance) of Clyde & Co LLP, all other Clyde & Co Entities and all Clyde & Co Persons.

- 15.6 These Terms of Business shall only apply to exclude or limit any liability to the extent permitted by law.

16 Contribution claims

- 16.1 Our liability to you will be limited to that proportion of any loss or damage you may suffer as is just and equitable, having regard to the extent of your own responsibility for the loss and damage and that of any other person who may also be liable to you in respect of it.
- 16.2 In considering whether other persons may be liable to you, no account is to be taken of any inability on your part to enforce remedies against another person by reason of causes of action against that person becoming time-barred, or the person's lack of means or the person's reliance on exclusions or limitations of liability.
- 16.3 Nothing in this Clause 16 shall increase our liability beyond that set out in Clause 15.

17 Use of Clyde & Co Entities

- 17.1 There may be occasions when we consider it to be in your interests that we refer all or some of your instructions under or in connection with our engagement to another Clyde & Co Entity; for example, in another jurisdiction. You agree that, in these circumstances, we are authorised by you to obtain advice and services from, and to disclose all relevant information to, that other Clyde & Co Entity.
- 17.2 Each time we obtain advice and services for you from another Clyde & Co Entity, we will do so, and you agree that we will do so, on the basis that:
- (a) we, and not such (or any) other Clyde & Co Entity, are responsible for such advice and services and for the performance of the contract with you;
 - (b) without prejudice to Clause 15.6, no such other Clyde & Co Entity will have any responsibility or liability whatsoever to you or anyone else as regards such advice and/or services, whether or not provided by us or such other Clyde & Co Entity; and
 - (c) you will not make or seek to make, or procure or seek to procure that any other

person makes, any claim in relation to any such advice given, or service provided, against any Clyde & Co Entity (other than us).

18 Responsibility to third parties

- 18.1 The advice we give is for your sole benefit in respect of the particular work you instruct us to do. Our advice is not to be used or relied upon by others, or for a different purpose. Accordingly, you agree not to disclose our advice to others without our consent or rely on it in connection with any other matter.
- 18.2 Save where imposed by law, we do not accept any responsibilities to any third parties in relation to the matter on which we are instructed by you. To the extent that the law nonetheless imposes on us such responsibility to any third parties, our liability to them shall be limited in accordance with Clauses 15, 16 and 17, and a single limit as set out in Clause 15 shall be shared between such third parties and you.

19 Correspondent lawyers, counsel etc

- 19.1 Where we consider it to be an effective way of dealing with a matter, we will instruct counsel or engage correspondent lawyers, experts or others on your behalf. We shall, however, consult you before instructing or engaging any such persons.
- 19.2 Where we instruct such persons on your behalf:
- (a) we will be acting only as your agent and you will be responsible for the fees and expenses of any such persons instructed or engaged;
 - (b) we will not be responsible for the advice given, services provided by, or default of, any such persons, but we will use reasonable care in selecting them.
- 19.3 Where you instruct us to make payments to such persons on your behalf and those persons are based in or connected to a sanctioned jurisdiction, we may need to disclose details of your matter to our banks before they will agree to process the payment(s). Whilst we shall take reasonable steps to obtain your express consent before making any such disclosure, we shall be entitled to treat

your instructions to us to make any such payment as consent to disclosure.

- 19.4 Clause 19.1 does not apply to the appointment or engagement by us of another Clyde & Co Entity; any such appointment or engagement shall be dealt with in accordance with Clause 17.

20 Data Protection

- 20.1 As a regulated law firm, we are a controller of the personal information we process in connection with our engagement with you.

- 20.2 We are committed to data protection compliance and this Clause 20 and our full privacy notice (together our **Information Notice**) provide detailed information about how we process personal information. A copy of our current full privacy notice is available online at www.clydeco.com/help/privacy or in hard copy on request.

- 20.3 The personal information we process in connection with our engagement will include details such as individuals' names and addresses and may also include more sensitive details such as information about individuals' health and criminal records.

- 20.4 The main purpose for which we process personal information in connection with our engagement are to:

- (a) provide you with legal services;
- (b) carry out credit checks;
- (c) manage and develop our business with you;
- (d) comply with our legal and regulatory requirements; and
- (e) comply with our risk management policies.

- 20.5 We may also process your personal information (where you are an individual) or personal information of individuals through whom we conduct our relationship with you (where you are not an individual) for marketing purposes. Where we process personal information for marketing purposes, we will always do so in compliance with all relevant marketing and data protection laws.

- 20.6 Where you (or someone on your behalf) provide personal information to us we rely

on you to help us comply with our obligations under relevant data protection laws in relation to that personal data. In particular:

- (a) we are committed to using only the personal information we need for the purposes for which we process it. To help us achieve this, you must provide to us only the personal information that we specifically ask you to share with us;
- (b) you must ensure that the personal information that you provide to us is accurate and, where necessary, up to date;
- (c) we will assume that we can process all personal information you provide to us in accordance with our Information Notice. This means that you should only provide to us personal information that you know we can process in line with our Information Notice; and
- (d) you must inform each relevant individual that you are giving their personal information to us in connection with our engagement and that their information will be processed by us in the manner and for the purpose described in our Information Notice, unless relevant data protection laws allow us to process that individual's personal information in line with our Information Notice without such information being given to the individual.

- 20.7 The international transfer of personal information is likely to be a necessary part of our engagement with you, either because of where you or we are established, the obligations you or we are under in relation to the personal information you provide to us or we provide to you, the international nature of our engagement with you or the global approach we take to processing personal information. Please refer to our Information Notice and the international data transfer section of our website (which can be found at <https://www.clydeco.com/en/legal-and-privacy/international-data-transfers>) for up-to-date information on the documentation and measures we have put in place to help ensure your and our continued compliance with the international data transfer rules that apply to our engagement with you. The documentation and measures set out in our Information Notice and the

international data transfer section of our website shall apply to our engagement with you, to the extent they are relevant to the engagement, so please do take the time to read them.

- 20.8 If you have any questions or comments about our data protection practices, please contact in the first instance the Supervising Partner.

21 Electronic communications

- 21.1 During the course of our engagement, we may wish to communicate electronically with one another. The electronic transmission of information cannot be guaranteed to be secure or error-free, as it will be transmitted over a public network, and such information could be intercepted, corrupted, lost, destroyed, arrive late or incomplete, or otherwise be adversely affected or unsafe to use.

- 21.2 We and you each agree to use reasonable procedures to check for the most recently known viruses before sending information electronically, but we each recognise that such procedures cannot be a guarantee that transmissions will be virus-free.

- 21.3 We shall each be responsible for protecting our own interests in relation to electronic communications. Neither you or we (nor any other Clyde & Co Entity or any Clyde & Co Person) shall be liable to the other on any basis, whether in contract, tort (including negligence) or otherwise, in respect of any damage or loss arising from or in connection with the electronic communication of information between us.

22 Future instructions

Unless we both agree otherwise, and subject to our then current hourly rates, these Terms of Business (as amended from time to time) will apply to any future instructions that you are kind enough to give us.

23 Complaints procedure

- 23.1 If at any time you have any queries or concerns on any aspect of a matter (including a bill) then please do not hesitate to contact the person dealing with your matter in the first instance or, if you prefer, the Partner responsible for supervising your matter. We will try to

address any problem quickly and operate an internal complaint handling system to help us resolve the matter between ourselves. Full details of our procedure for handling complaints can be found in the legal notices section of our website at www.clydeco.com

- 23.2 If for any reason we are unable to resolve matters between us within eight weeks, you may be entitled to ask the Legal Ombudsman of England and Wales to investigate your complaint. The Legal Ombudsman investigates complaints about service issues with lawyers. There are time limits for making such an application. The Legal Ombudsman expects complaints to be made to them within one year of the date of the act or omission about which you are concerned or within one year of you realising there was a concern. You must also refer your concerns to the Legal Ombudsman within six months of our final response to you. You can contact the Legal Ombudsman by: Telephone: 0300 555 0333 Email on enquiries@legalombudsman.org.uk Post: Legal Ombudsman, PO Box 6167, Slough, SL1 0EH

- 23.3 Responsibility for regulation and complaints handling has been separated from the Law Society's representative functions. The Solicitors' Regulation Authority is the independent regulatory arm of the Law Society, and the Legal Ombudsman deals with complaints against lawyers: you may raise any concerns with either of these bodies.

24 Compulsory insurance

We are required to provide you with certain information pursuant to EU legislation. Such information, which includes details of our compulsory insurance, can be accessed by clicking on "Legal Notices" at the foot of our Home page (www.clydeco.com).

25 Third party rights

- 25.1 Except to the extent provided in Clause 25.2, a person who is not a party to the agreement between us has no right under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of the agreement.

25.2 The exclusions of liability in favour of Clyde & Co Persons and Clyde & Co Entities contained in Clauses 15, 16, 17, 18, 21 and 27 of these Terms of Business may be enforced by any Clyde & Co Entity or any Clyde & Co Person subject to and in accordance with the terms of the agreement between us and the Contracts (Rights of Third Parties) Act 1999.

25.3 Notwithstanding that any term of the agreement between us may be or become enforceable by a Clyde & Co Entity or a Clyde & Co Person:

- (a) you and we may agree to waive, grant time under or otherwise deal with any of our respective rights and obligations under the terms of the agreement between you and us; and
- (b) the terms of the agreement between you and us may be varied, amended or modified, or such agreement may be suspended, cancelled or terminated by agreement between you and us or pursuant to its terms, or the agreement may be rescinded, (in each case) without reference to or the consent of any such Clyde & Co Entity or Clyde & Co Person.

26 Intellectual property

Unless otherwise expressly agreed in writing, we own the rights in the work product that we produce in providing services to you. Subject to payment of our fees for services provided, we grant to you a non-exclusive, royalty free and perpetual licence to use the work product for the purposes for which we produced it for you. This licence does not allow you to give the work product to third parties to use for their benefit unless we have specifically agreed to this in writing.

27 Tax Reporting Obligations

In certain circumstances legislation may require us to disclose details of transactions to HM Revenue and Customs where these may result in a tax advantage.

In certain circumstances, we may also be required, under EU Council Directive 2018/822 (DAC6) or equivalent UK regulations to report information on certain cross-border arrangements to the relevant

local tax authority. Where we reasonably believe that there is a reportable cross-border arrangement in your matter and that you, your other intermediaries or we have a reporting obligation in relation to that arrangement, then (unless we are prohibited in law from doing so) we will inform you and/ or any intermediary of the requirement to report to the relevant local tax authority (who may in turn share it with other tax authorities).

If we consider that either of these or any other tax reporting requirement arises we will, where permissible under applicable legislation, inform you. You agree to provide us with such information and assistance as may be necessary to enable us to meet our obligations in this regard within the time frame imposed by law. While we will aim to secure your consent to such disclosure, we may be required to make disclosure whether you consent or not and neither we nor any other Clyde & Co Entity or any Clyde & Co Person will be responsible for any loss (including additional tax, interest or penalties) which may arise by reason of our having done so.

28 Property transactions

Where our engagement relates to a property transaction, stamp duty land tax may be payable. For this purpose, a complex tax return has to be completed within fourteen days of effective completion of the transaction. You agree to provide us with the details necessary for completion of this form and to ensure that we are put in funds to settle the land tax payable. A separate charge may be made for dealing with this aspect of the matter.

29 Publicity

29.1 Where we have advised on a transaction (and subject to our duty of confidentiality) we may inform legal and trade journals about the transaction which we have completed, and may also use details of the transaction for our own marketing purposes.

29.2 If it is proposed that any public announcement be made by you or others in respect of a transaction upon which we have acted for you, we would generally be pleased to permit reference to Clyde & Co

LLP and its role, subject to our prior approval of the text.

30 **Equality and diversity**

Clyde & Co LLP has formal procedures in place to ensure equal opportunities. We view diversity as critical to the international nature of our business and have created a working environment where people from different backgrounds can thrive. We are committed to treating all prospective and existing partners, employees, clients and third parties equally and without regard to gender, marital status, ethnic origin, age, disability, sexual orientation or religious belief. Our Equality and Diversity Policy is available on request.

31 **Severability**

If at any time any provision of these Terms of Business or any engagement letter is or becomes illegal, invalid or unenforceable in any respect under the law of any jurisdiction, that shall not affect or impair the legality, validity or enforceability in that jurisdiction of any other provision of these Terms of Business or any engagement letter, or the legality, validity or enforceability under the law of any other jurisdiction of that or any other provision of these Terms of Business or any engagement letter.

32 **Entire agreement**

These Terms of Business and the terms of any engagement letter (together with any other terms agreed in writing between you and us in connection with our engagement) constitute the entire agreement and understanding between you and us in relation to our engagement and supersede all previous negotiations, agreements and commitments with respect to that engagement.

33 **Rights and remedies**

33.1 The rights and remedies available to us by virtue of these Terms of Business are without prejudice to any other rights or remedies available to us.

33.2 Any failure by us to exercise or delay by us in exercising a right or remedy provided by these Terms of Business or by law does not constitute a waiver of the right or

remedy, or a waiver of other rights or remedies.

34 **Force majeure**

Neither you nor we shall be responsible for failure to perform our respective obligations concerning your instructions (save for your responsibility to pay our bills in full) where any such failure is due to causes outside, respectively, your or our control, including sanctions, embargoes or similar action.

35 **Law and jurisdiction**

35.1 The contract between you and us in respect of our engagement, and any non-contractual obligations arising out of or in connection with such engagement, and this clause, shall be governed by and construed in accordance with English law.

35.2 We and you agree that any dispute or claim arising out of or in connection with such contract or its subject-matter or formation (including non-contractual disputes or claims) shall be subject to the exclusive jurisdiction of the English courts.

ToBs version January 2024