

Our ref: MSL/TL/2478845 v1

Strictly Private & Confidential

Detective Inspector Nigel Niven
Hampshire Constabulary
Western Area Headquarters
12-18 Hulse Road
Southampton
Hampshire S015 2JX

4 September 2003

Dear Nigel

Operation Rochester

I write further to my letter of 14 August 2003 setting out our Standard Terms of Conditions and our meeting on 1 September 2003 where certain of those conditions were constructively reviewed. As agreed I am writing to set out the basis of our agreement and a new letter. I look forward to receiving your confirmation as detailed below of your acceptance of the revised terms.

People responsible for your work

1. I will carry out most of the work in this matter. I am a partner in the Professional Regulatory Group and have ultimate responsibility for this matter.
2. We try hard to avoid changing the people who are handling your work but if this cannot be avoided, we will notify you promptly who will be handling your work and why the change was necessary.
3. I will explain to you the issues raised in your matter and keep you informed of progress. I will also advise you whether the likely outcome of your case will justify the likely charges and expenses and risk involved, from time to time, as necessary.
4. I will advise you as the matter progresses of the likely timeframe for each stage and for the matter overall.
5. We will observe the professional rules and guidelines of the Law Society and accept instructions to act for you on the basis that we will act in accordance with those rules and guidelines.

6. Some of the fee earners involved in advising you may also be bound by the rules of other regulatory bodies and you instruct us on the basis that we will also act in accordance with such other professional rules.
7. We reserve the right to disclose our files to regulatory bodies, including our auditors, in the exercise of their powers.
8. You agree that we can approach such third parties as may be appropriate for information that we consider necessary or desirable to deal with your affairs. You will co-operate by providing all information which may be needed in order for us to fulfil our obligations under money laundering regulations.
9. If you have any problems or queries over the way your matter is being handled or any way in which you feel our services can be improved please contact me. Please do raise any concerns or queries so that we can address these. We will do our utmost to provide the service you wish.

Our complaints policy

We are committed to providing a high-quality legal service to all our clients. When something goes wrong we need you to tell us about it. This will help us to improve our standards.

Our complaints procedure

If you have a complaint, in the first place please contact the partner who has overall responsibility for your business or for the particular matter concerned. If (following this) you remain dissatisfied or if your complaint concerns the partner with whom you are normally in contact, please write to the Senior Partner, who will be responsible for dealing with your complaint, though if the Senior Partner is away from the office for any material length of time the Managing Partner will deal with your complaint in his absence. This will initiate our formal complaint procedures.

What will happen next?

10. The person dealing with your complaint will send you an acknowledgement and may ask you to confirm or clarify some issues. You can expect to receive our acknowledgement within four days of our receipt of your complaint.
11. We will record your complaint in a central register and will open a file for your complaint. We will do this no later than the time when we acknowledge your complaint.
12. We will then start to investigate your complaint. This will normally involve one or more of the following steps:-
 - reviewing the paperwork for the matter to which the complaint relates;

- discussing the position with those concerned within the firm;
 - seeking any further clarification we require from you.
13. Having completed our investigation we will write to you, hopefully to resolve your complaint. We would normally expect to be able to do this within fourteen days of our initial acknowledgement letter, though if more time is needed (e.g. because a key fee earner is away) we will update you on an ongoing basis at no more than ten day intervals.
 14. At this stage, if you are still not satisfied you can write to us again with your reasons and we will review our decision. The review will be carried out by two members of our Management Board. Our aim will be to complete the review within fourteen days of receipt of your letter, but if more time is needed you will be notified.
 15. We will let you know the result of our review within five working days of completion of the review. At this time we will write to you confirming our final position on your complaint and giving our reasons. We will also give you the name and address for the Office for the Supervision of Solicitors. If you are still not satisfied you can contact them about your complaint.
 16. If we have to change any of the timescales above, we will let you know and at the same time we will explain why this is necessary. If a complaint may constitute a possible claim for compensation for negligence, then we will generally have to refer the matter to our insurers.

Charges and Expenses

17. Our charges are based, primarily, on the time spent dealing with matters. This includes advising, attending you and others, dealing with papers, correspondence, telephone calls and travelling time. Time is recorded in six minute units.
18. The rates vary according to the person dealing with the matter, and we ensure that work is carried out by the appropriate level of fee earner. My hourly rate is £215 per hour. It may be that assistance will be required from other members of the team in undertaking this operation. Should one of our assistant solicitors be required to assist their hourly rate will be £170 per hour; the hourly rate of an investigator is £120 per hour. The hourly rates will not increase unless there has been prior agreement with you. The rate per hour for travelling will be charged at £170 per hour for partners, £135 per hour for assistant solicitors and £95 per hour for investigators.
19. We may, in addition, add a mark-up to take into account the particular circumstances of the case: these will include its complexity, urgency, importance, the number and importance of documents to be prepared and the value of the claim. The assessment for each case will be different. On the basis of the information currently available to us, we expect these factors to be covered in the hourly rate. No mark up will be made unless there has been explicit

agreement from you.

20. We may incur expenses on your behalf which will be itemised on your bill. These may include travel costs and photocopying. You have agreed that we may incur first class rail fares when travelling to meetings. Our mileage will be charged at 40p per mile. Any air travel will be incurred at the lowest reasonable cost available at that time. We will, of course, advise you in advance of unusual expenses or charges and seek your approval whenever practicable.
21. Where we are obliged to charge VAT on our services and disbursements at 17.5%, this will be added to our fees and disbursements. VAT is charged to all UK clients and for all disputes relating to property in the UK as well as for some EU and other clients.
22. Generally, if we hold money for you we will account to you for interest in accordance with Law Society guidelines. You will need to account for the tax payable on this interest.

Billing

23. We normally render interim bills to you as the matter progresses at appropriate intervals, normally on a monthly or quarterly basis. We will provide a detailed narrative of the work carried out on your behalf and are happy to provide you with any additional breakdown of the bill which you may require.
24. If any bill is not settled or we do not receive monies on account of costs, within a reasonable period of request, we reserve the right not to continue acting for you.

Estimate

25. It is difficult to estimate in advance how many hours of work will be necessary in this case but I will update you once my instructions become more detailed as to the likely costs involved.

Money on account

26. We will not ask for money on account at this stage of the matter but may do so if the circumstances of the matter change. We may request further payments on account for charges and expenses to be incurred as the matter progresses. When we put these payments towards your bill/s we will send you a receipted bill. We will offset any such payments against your final bill, but it is important that you understand that your total charges and expenses may be greater than any advance.

Storage of papers and deeds

27. After completing the matter, we are entitled to keep all your papers and documents while money is owing to us. We will keep our file of papers (except for any of your papers which you ask to be returned to you) for no more than six years after sending you our final bill. We will not destroy documents you ask us to deposit in safe custody. We will keep title documents in our deed room.
28. We do not normally make a charge for retrieving stored papers or deeds held merely for safekeeping in response to continuing or new instructions to act for you. However, we reserve the right to make a charge based on the time we spend on reading papers, writing letters or other work necessary to comply with the instructions.

Termination

29. You may terminate your instructions to us in writing at any time. We are entitled to keep all your papers and documents while money is owing to us.
30. We will decide to stop acting for you only with good reason and on giving you reasonable notice.
31. If you or we decide that we will stop acting for you, you will pay our charges on an hourly basis and expenses as set out earlier.

Data Protection

32. We will hold the information which you give us which identifies you, and information identifying other individuals at your organisation which you or they give us, for the purposes of providing services to you. In addition, from time to time, we may provide you with information which we think may interest you. This will usually be in the form of legal updates, briefing papers, newsletters and details of forthcoming events or seminars which we run periodically. We may also send you contact information about the firm. Except as permitted or required by law, we will not disclose any information which you give us without your consent. By signing and returning this letter you consent to us processing for these purposes the data which you give us.

Conclusion

33. Your continuing instructions in this matter will amount to your acceptance of these terms and conditions of business. Even so, we ask you to please sign and date the enclosed copy of this letter and return it to us immediately. We can then be confident that you understand the basis on which we will act for you.
34. We hope that by sending this letter we have addressed your immediate queries about the day-

to-day handling of your work and our terms of business. If you still have any queries, please do not hesitate to contact me.

35. If you wish to speak to my secretary at any time, her name is Tina and her direct line is 020 7861 4148.

I look forward to working with you and I will do my best to ensure that everything proceeds as smoothly as possible and that you are kept fully informed of both the progress and the costs of your matter.

Yours sincerely

Matthew Lohn

Partner

Code A

I confirm I have read this letter and agree to its terms.

Signed:.....

Dated:.....

*for and on behalf of
Hampshire Constabulary*

PS: This is an important document: please keep it in a safe place for future reference.