

**CONDITIONAL FEE AGREEMENT
SPG LAW**

This Agreement is a legally binding contract between you and your solicitor. The Conditions are part of the Agreement. Please read everything carefully.

Agreement Date:

Between **Us: SPG Law (a trading name of Excello Law Limited, 5 Chancery Lane, London, WC2A 1LG)**
And **You: The Client**

What IS covered by the Agreement

The whole of your claim for damages against Volkswagen AG and any other party subsequently found liable for your claim, or agreeing to pay you damages for your claim, including all the work done prior to the agreement date.

So far as this agreement is retrospective this includes, but is not limited to, the costs relating to taking your initial instructions, the setting up of your file, the preparation of the initial letter, the CFA and terms of business and all 'common costs' work incurred from the 1st October 2015. These are all covered by this agreement and are subject to the charges at our hourly rate.

Any Pre Action Application for Disclosure made against the above named and/or any other party who is likely to be a defendant in any future proceedings relating to this claim.

Any Pre Action Application for Non-Party Disclosure made against any party who is considered to hold necessary documentation or information which may assist with your claim.

This agreement also covers the Common Costs incurred in connection with:

- a. The VW NOx Emissions Group Litigation;
- b. Any other claim connected to the supply of motor vehicles where there is an issue common to other such claims which (whether or not those claims are subject to a Group Litigation Order) will give rise to Common Costs connected to your claim for compensation.

What IS NOT covered by this Agreement

Any proceedings taken against you for the enforcement of a judgement, order or agreement.

Any counterclaim against you.

Any appeal made against an interim order during the proceedings.

Any appeal you makes against a final judgment or order.

Any appeal by your opponent.

Court action to enforce your compensation award if you win but your opponent does not pay.

For the avoidance of doubt, where we are prepared to and do and carry out work which is not covered by this Agreement (by implication, necessity or otherwise), the costs associated with that work (including Disbursements) will be payable unconditionally and upon the general Terms and Conditions (or upon other terms as may be appropriate). If we have not separately specified hourly rates in this regard, then the hourly rates set out herein will apply for the relevant period.

The Agreement

Our basic charges for the legal work we do are based on the rate we charge, which is £550.00 per hour for solicitors/barristers/legal executive lawyers/registered foreign lawyers with 8 years or more experience, £450.00 per hour for those with 4 years or more experience, £350 per hour for those with between 0 and 4 years experience and £250 per hour for those employees who are not qualified lawyers in any jurisdiction.. You are liable to pay our basic charges, VAT at the applicable rate, our expenses and disbursements and insurance premium (if applicable) subject to the terms of this agreement. We hope to be able to recover our basic charges, VAT, our expenses and disbursements from the Defendants. **There will, however, likely be a shortfall and certain charges, expenses and disbursements may not be recoverable. Such charges, expenses and disbursements will be charged to you.**

In addition to the basic charges we charge a Success Fee which is calculated as 100 % of our basic charges. Interest is payable in addition to our charges as per the attached Terms and Conditions. We keep our hourly rates under review. We shall review our hourly rate if there is a change in the Litigator dealing with your claim or as and when we see fit, as set out in the Terms and Conditions set out below.

If you win your claim or an interim application during the process of your claim, you pay our basic charges, our expenses and disbursements. You are entitled to seek recovery from your opponent of part or all of our basic charges and our expenses and disbursements, but not the insurance premium.

In all circumstances, we will limit all charges to you which result in a deduction from your damages to 50% inclusive of VAT.

WHAT YOU NEED TO KNOW ABOUT THIS CFA TERMS AND CONDITIONS

1. General Terms

If any of the following events occur, you will **be in breach of** the Agreement with the effect that **you will be liable for, and we will seek payment of, our hourly rate, VAT and disbursements as set out in this agreement:**

- a. You fail to co-operate with us.
- b. You fail to follow our advice.
- c. You fail to attend any appointment or court hearing which we request you to attend.
- d. You fail to give us necessary instructions when we ask for them, or you fail to give us instructions that allow us to do our work properly.
- e. You withdraw instructions from us.
- f. You reject our legal advice about making a settlement with your opponent.
- g. You ask us to work in an improper or unreasonable way.
- h. You mislead us or any party involved in your claim (including any expert instructed in the matter).
- i. You are dishonest or exaggerate your claim.

In these circumstances:

- j. you are entitled to complain about the bill, under our usual complaints procedure;
- k. Once the internal complaints system has been exhausted if you are unhappy with the outcome you can raise your complaint with the Legal Ombudsman. The Legal Ombudsman states that the general rule is that any complaint brought to their attention should be done no later than 6 years after you considered there was a problem, and within 3 years of receiving a final response from us; however, please note that if the date of action or awareness was prior to 6th October 2010, your complaint will not be considered. The Legal Ombudsman can be contacted on 0300 555 0333, by e-mail on enquiries@legalombudsman.org.uk or in writing at Legal Ombudsman, PO Box 6806, Wolverhampton, WV1 9WJ.

However:

- l. we may exercise our right to keep all papers, documents, money or other property held on your behalf until all money due to us is paid; and
- m. we must advise that if all or part of the bill remains unpaid, we are entitled to charge interest at a sum of 8% per annum

For the avoidance of doubt, where you dispute a breach has occurred, your claim will be referred to the Principal Solicitor who will make the final decision as to whether or not a breach has occurred.

Subject to our strict discretion, we may agree to ratify your breach and continue to act for you on the condition that you agree to pay our fees which we may agree to restrict to a percentage of your damages or our fees or on any other basis which we consider to be appropriate for the situation. For the avoidance of doubt, there is no obligation on us to ratify a breach nor does this section prevent us from either not agreeing to restrict our fees to a percentage of your damages or to a percentage of your fees or from increasing the percentage should you further breach the agreement. Furthermore our continuing to act on your behalf does not amount to a ratification of a breach. As such we may rely on past non-ratified breaches under this section.

In the event of your death, this agreement will survive subject to your Personal Representative agreeing to continue to instruct us under the terms of this agreement.

If your Personal Representative does not provide such instruction, this agreement will be deemed terminated pursuant to sections (c) and (d) above and we may seek recovery of our basic charges and expenses up to the date of your death from your estate.

If you act dishonestly in relation to your claim, e.g. bring a false claim or you exaggerate your claim, you will face consequences a sample of which are as follows:

- n. You will be liable to pay our basic charges and our disbursements including, but not limited to, barrister's fees;
- o. You will be liable to pay your opponent's charges and disbursements including, but not limited to, barrister's fees.
- p. You must be aware that you will not be afforded the protection of any insurance policy.
- q. You may face criminal proceedings.

Please note that you are under a duty to notify us immediately of any change in your contact information, such as a change of address, change of any contact telephone number, or change of email address. Please note that should you fail to advise us of any updated contact information that results in our attempts to contact you for instructions to be hindered, we may consider this a breach of our agreement and we refer you to the above information.

2. Procedure

Unless you lose your claim you are liable to pay our basic charges, a success fee if you go on to win VAT at the applicable rate, our expenses and disbursements and insurance premium (if applicable) subject to the terms of this agreement. You are normally entitled to seek recovery from your opponent of part or all of our basic charges and our expenses and disbursements, but not the insurance premium (if applicable).

Where we continue to act on your behalf following a breach by you, this will be on the strict condition that you agree to pay our fees which we may agree to restrict to a percentage of our fees or damages or as otherwise agreed. For the avoidance of doubt, there is no obligation on us to ratify a breach nor does this section prevent us from either removing the restriction or increasing the same should you further breach the agreement.

3. Basic Charges

These are our charges for the legal work we do, based on the rates we charge detailed in the Conditional Fee Agreement. Letters and telephone calls are charged out on a time recorded basis at 1/10th of the hourly rate. We will keep our hourly rates under review and notify you in writing of any increased rate.

We will review the hourly rates (to take account of changes in our overhead costs) and notify you in writing of any increased rate. We will also advise you in writing of any change in the hourly rate the court may choose to make or if there is a change in the Litigator dealing with your claim.

Interest & Payments

By entering into this agreement you agree that we may charge interest on our charges at a rate of 8% with interest becoming chargeable at the time the charge is incurred.

Where you do not fulfil your part of the Agreement (i.e. the Conditional Fee Agreement and our Terms of Business) you agree to pay into a designated account any cheque received by you or by us from the Opponent and made payable to you or us. Out of the money, you agree to let us take the balance of the Basic Charges, insurance premium, any remaining Disbursements, interest and VAT.

Lien

Our right to keep all papers, documents, money or other property held on your behalf until all money due to us is paid. A lien may be applied after this agreement ends unless another solicitor working for you undertakes to pay us what we are owed. Any Undertaking offered to preserve this lien must be in accordance with our terms of business.

4. Disbursements

These are our expenses that are payable by you (usually out of your damages if not recovered from your opponent) have

to be paid on your behalf, by us, to others involved in the case. For example, these may be but not limited to court fees, experts' fees, and official search fees.

Counsel's fees are Disbursements, but they may themselves be payable under a separate conditional fee agreement. It may be that your claim falls within one of the pre-action protocols which states that the Counsel's fees may only be recovered where justified.

Counsel may wish to charge a success fee.

5. Success Fee Explanation

This charge applies where you have succeeded in your claim and is payable in accordance with the terms of this agreement. Following the Legal Aid, Sentencing and Punishment of Offenders Act 2012 the success fee element of our charges cannot be recovered from your opponent.

There is always an element of risk with any claim and to allow us to fund claims on a Conditional Fee basis the awards gained in success fees allow us to absorb the costs of the unsuccessful claims. Obviously, some claims are perceived as carrying more risks than others, despite the merits of the case. Instead of choosing only those cases that carry the least risk, we accept a range of claims and risks.

As stated above in accordance with the Legal Aid and Sentencing and Punishment of Offenders Act 2012 as of the 1st April 2013 the Success Fee is not recoverable from the Opponent. It is recorded that you consent to paying the Success Fee and that to that extent, your rights under s 74(3) of the Solicitors Act 1974 are waived, as is your right to rely on the presumption relating to "unusual costs" in CPR rule 46.9(3)(c).

By entering into this agreement you agree that the success fee may be paid directly from your damages and you authorise any payment in relation to your damages to be made payable to SPG Law to facilitate this payment.

6. The Success Fee

The Success Fee is 100% of your basic charges plus VAT. The Success Fee will apply throughout and in addition shall apply to any interim hearing.

No part of the Percentage Increase mentioned above will relate to the postponement of payment of the Solicitors' fees.

7. Reasons for the Success Fee in this Case

The figures reflect the risks associated with your type of case. These risks include the following:

- a. The fact that we may not be paid anything
- b. The risk that there may be only partial recovery of costs or damages from the opponent
- c. The risk that your opponent may be uninsured
- d. The risk that your opponent may if uninsured declare bankruptcy/dissolve
- e. The risk that if your opponent becomes insolvent and is insured that a claim will need to be made under the Third Party (Rights Against Insurers) Act 1930 which only confers a right of direct recovery in prescribed circumstances.
- f. The risk that you may be unable to prove your claim whether in relation to breach of duty, causation or loss
- g. The fact that we have not yet obtained any formal witness evidence.
- h. There are inherent risks to any litigation.
- i. The future risk of failing to beat a Part 36 Offer.

You agree that, if in court proceedings the success fee becomes payable as a result of those proceedings and we, or you, are ordered to disclose to the court or any other person the reasons for setting the level of the success fee as stated in this agreement, we may do so.

8. What Happens if you Win:

- a. You are liable to pay all our charges, VAT and disbursements.
- b. If we and your opponent cannot agree the amount, the court will decide how much you can recover. In accordance with the Legal Aid and Sentencing and Punishment of Offenders Act 2012 we are unable to recover the cost of an insurance premium (if applicable) which will be either paid by us or deducted from your damages subject to our agreement.
- c. As explained above a Success Fee is payable in addition to the basic charges. You agree that after winning, the reasons for setting the success fee at the amount stated may be disclosed to the court and any other person required by the court.
- d. It may happen that your opponent makes an offer that includes payment of our basic charges and damages. If so, unless we consent, you agree not to instruct us to accept the offer unless we and you agree what proportion is to be taken as representing our fees and expenses under this agreement. *Should you insist upon an offer that includes payment of our basic charges and damages being accepted, we shall be left with no choice but to immediately refuse the instruction and withdraw from acting in respect of the entire claim.* If this happens you are liable to pay our charges and we will seek immediate payment of those fees. You may be entitled to recover all or part of these fees from your opponent (save for the insurance premium).
 - If we agree to wait until the conclusion of the claim for the recovery of the fees, should you fail to include the fees, or should you fail to instruct a solicitor to include the fees, you will be fully liable for and we shall seek payment of, our fees as set out in this agreement.
- e. We are allowed to keep any interest your opponent pays on the charges.
- f. If the case has been transferred from another solicitor or from SPG Law to another solicitor, you agree that we can agree costs and apportion any sums between solicitors as we see fit.

○ **Costs Sharing**

Unless otherwise ordered by the Court or agreed in writing:

- a. Where your claim is one of a number of claims which are subject to a Group Litigation Order (GLO) –
 - Your liability to pay the common costs of those proceedings will be several with that of the other claimant whose claims are subject to that GLO;
 - All such Claimants, including you, will be treated as if they were Claimants on and after the 1st October 2015, and any liability to pay common costs will be calculated from the beginning of that date on a quarterly basis;
 - Your liability to pay the common costs will be subject to the overall common costs being calculated and then be divided by the number of Claimant's pursuing claims and each Claimant, including you, will be liable to pay an equal share.
 - If a Claimant compromises their claim they will be liable for the common costs up to the end of that quarterly period the Claimant's claim was compromised.
- b. Where your claim is not subject to a GLO, and where it is one of a number of other claims which are not subject to a GLO but which raise common issues, and in respect of which there are therefore Common Costs –
 - Your liability to pay the common costs of those claims will be several with that of those other Claimants who have entered into an agreement with SPG Law.
 - All such Claimants, including you, will be treated as if they were Claimants on and after the 1st October 2015, and any liability to pay common costs will be calculated from the beginning of that date on a quarterly basis;

- Your liability to pay the common costs will be subject to the overall common costs being calculated and then be divided by the number of Claimant's pursuing claims and each Claimant, including you, will be liable to pay an equal share.
 - If a Claimant compromises their claim they will be liable for the common costs up to the end of that quarterly period the Claimant's claim was compromised.
- c. Where your claim contains elements which are subject to a GLO and elements which are not subject to a GLO, sub-clause (a) above will apply to the common costs of the former and sub-clause (b) will apply to the common costs of the latter and SPG Law may make such reasonable apportionment or division of costs between the GLO and non-GLO elements as it deems appropriate.

It is acknowledged and agreed that it may be necessary for the above clause to be amended. Where SPG Law reasonably considers it necessary to do so, you agree that clause 6 of this agreement is revoked and substituted by such other costs sharing terms as is reasonably necessary.

Save for where the claim is (or would be, if Court proceedings are issued) allocated to the Small Claims Track we agree to restrict our charges of the common costs to sum recovered from your opponent.

10. Part 36 Offers

It may be that your opponent makes a Part 36 offer or a payment which you reject and your claim for damages goes ahead to trial or you later agree a settlement where you recover damages that is less advantageous than that offer or payment. In such circumstances, you may be required to pay your opponent's costs and disbursements. Our fees will be dealt with under Clause 8 of this agreement.

11. What Happens if you Lose

You do not have to pay any of the basic charges. You do have to pay (but insurance has been arranged to cover your liability in respect of the same subject to compliance with all relevant terms and conditions):

- a. Your opponent's legal charges and disbursements.
- b. Your disbursements.

12. Interim Applications/Hearings

If on the way to winning or losing the claim you win an Interim Application/Hearing, then (subject to the other provisions herein) we are entitled to the immediate payment of the Basic Charges and Disbursements relating to that hearing.

If on the way to winning or losing the claim you lose an Interim Hearing you may be ordered to pay the opponent's costs.

13. Costs-only awards

It may be that the court awards our charges to be paid by your opponent in circumstances, in which the Claim has been dismissed, discontinued or otherwise brought to an end in a way that means that the only benefit derived by you is an award of costs. In those circumstances, our charges, VAT & disbursements will be payable on those costs to which that Order relates, but no other Charges will be payable.

14. Alternative Funding Options

There are a number of alternative methods of funding options available to you which we do not currently offer such as:

- Damages Based Agreement:

This agreement limits the costs that you pay to your solicitor to a maximum of 50% of your damages.

This agreement may be suitable to fund your claim but we believe that we cannot provide you with an adequate service under such an agreement and therefore this is not something which we are prepared to offer you.

- Pay Privately:

This agreement would mean that you would pay us regardless as to whether or not we win your claim. As we are offering to proceed with your claim under a Conditional Fee Agreement which means you do not pay our basic charges if you lose your claim it would be undesirable to enter into an agreement at this time which requires you to pay whether you win or lose.

- Before the Event Legal Expense Insurance:

It may be the case that you already have a policy of insurance which would cover the risk of you having to pay your opponent's fees and any unrecovered costs and/or disbursements. These policies are often attached to other policies of insurance and therefore we will investigate on your behalf whether such a policy exists and if so whether such a policy is suitable. As such we ask that you send us copies of the following documents:

- i. Any household contents policy in force at the time of the accident for your home address;
- ii. Any buildings policy in force at the time of the accident for your home address;
- iii. Any motor insurance policy in force at the time of the accident which you hold or are covered under;
- iv. Any credit card insurance policy in force at the time of the accident which you hold or are covered under;
- v. Your trade union membership card and union handbook (if applicable); and
- vi. Any other policy of insurance which you know to cover legal expenses.

We will then check the insurance cover provided by these documents and advise you further. If you are unsure or do not understand the request you must contact us so that it may be explained in more detail.

If we do not hear from you within the next **14 days** with regards to the provision of the above, we shall assume that you have no insurance for us to check, or applicable insurance as per the above, and we will continue to act under a Conditional Fee Agreement.

15. Other Circumstances

- We may end the Agreement if either:

- i. You reject our opinion about making a settlement with your opponent.
 - If this happens we reserve the right to obtain an opinion from an independent solicitor or barrister on the merits of the proposed settlement (this shall be at our expense if the barrister does not support our opinion and at your expense if the barrister agrees with our opinion).
 - If the independent solicitor or barrister agrees with us but you do not accept his advice, you must pay our basic charges and disbursements up to this point.

- If the independent solicitor or barrister agrees with you but we do not accept his advice, you must pay our basic charges and disbursements up to that point if later you go on to win your claim. This is subject to the provisions of section 5 above. However, you must ensure that you take no action to endanger recovery of these costs and must include a claim for these sums as a condition to any future settlement of your claim. Should you fail to include the fees, or should you fail to instruct a solicitor to include the fees, you will be fully liable for and we shall seek payment of, our fees as set out in this agreement.
- ii. We may withdraw from acting under this Conditional Fee Agreement if we do not consider it is likely that a Judgment, if obtained, will be satisfied due to the means of the Defendant.
- iii. We may withdraw from acting under this Conditional Fee Agreement if we do not consider your claim to be of a sufficient value and/or complexity to allow us to recover all or part of our fees from your opponent.
- iv. We believe that you are unlikely to win your claim but you disagree with us.

If 15A(ii), 15A(iii), or 15A(iv) happens you are liable to pay our charges, VAT and disbursements. You may be entitled to recover all or part of these fees from your opponent (save for the insurance premium) and therefore you must include these fees in any claim for costs from your opponent.

Should you fail to include the fees, or should you fail to instruct a solicitor to include the fees, you will be fully liable for and we shall seek payment of, our fees as set out in this agreement.

- Your liability after this agreement ends

By entering into this agreement you agree that you will remain liable to pay all our basic charges, VAT and disbursements even after the agreement ends regardless of how it ends.

Please note that by instructing us to file a Notice of Discontinuance this ends our retainer and in doing so you agree that we may apply to come off record immediately. On ending our retainer we reserve our right to charge in accordance with the terms of this agreement.

b. Transfer of Business

If we transfer your business to any other legal entity, or if you give instructions through a person not mentioned in this agreement, then unless it is agreed otherwise, this agreement will be automatically novated with that new entity or other person (as appropriate) and the rights and obligations under the 'old' agreement will be suspended until the outcome of the matter is known. The old and the new will run alongside each other and will be regarded as being linked as one continuous agreement.

c. Removal from Court record

After this Agreement ends, we (unless you have another form of funding which is used to fund the Solicitors' continuing involvement) may apply to have the Solicitors' name removed from the record of any court proceedings in which they are acting. You must agree to the Solicitors' name being removed from the record; you will be liable in damages if you fail to do this. You will be liable for the any Basic Charges, VAT, and Disbursements incurred in making application.

16. Value Added Tax (VAT)

We add VAT, at the rate that applies when the work is done, to the total of the basic charges.

17. Work NOT Specifically Covered by this Agreement

As part of your claim we may be prepared to and do carry out work which is not specifically covered by this Agreement (by implication, necessity or otherwise), the costs associated with that work (including Disbursements) will be payable unconditionally and upon the general Terms and Conditions (or upon other terms as may be appropriate). If we have not separately specified hourly rates in this regard, then the hourly rates set out herein will apply for the relevant period.

You remain liable for our basic charges and disbursements in relation to such work. Should your opponent or another party be ordered to pay you the costs of such work we are entitled to the immediate payment of the Basic Charges and Disbursements relating to that work.

For example it may also be necessary to make an application to re-instate a company to the company register. Qualified One Way Costs Shifting does not apply to such applications and the general rule is that the costs of such applications are per this example the responsibility of the party making the application, the Court may therefore not Order the respondent to pay the costs of the application, even if the application is successful.

18. Costs / Benefit Analysis

At this stage, we consider that the potential outcome of pursuing your claim outweighs any risks involved. We will of course notify you if our advice changes.

This agreement complies with the requirements of the Access to Justice Act 1999, section 58 of the Courts and Legal Services Act 1990 (as amended) and the Solicitors Code of Conduct.



Supplementary Terms of Business

We are required by our code of conduct and by the Consumer Contracts (Information, Cancellation and Additional Charges) Regulations 2013 to provide you at the start of your claim with the information set out below. This information forms part of our terms and conditions and should be read in conjunction with the Conditional Fee Agreement (CFA) and the CFA Terms and Conditions. The CFA, the CFA Terms and Conditions and these Supplementary Terms of Business form our “agreement” with you.

Who are we, where we are and how to contact us:

SPG Law (a trading name of Excello Law Limited)

5 Chancery Lane

London

WC2A 1LG

We trade under the name SPG Law but we are one in the same company.

Mainline Telephone Number: +44 (0) 345 257 6377

Email Address: clientcare@spglaw.co.uk

The office is open from 0800 to 2200 seven days a week.

The Service:

You are instructing SPG Law to bring a claim on your behalf in the VW NOx Emissions Group Litigation.

The purpose of the claim is to recover damages (compensation).

Please let us know if you have any special needs, or other requirements, so that we can make the necessary arrangements to enable us to communicate better with you.

Vetting of Files and confidentiality:

External firms or organisations may conduct audit or quality checks on our practice, in which case they will be required to maintain confidentiality in relation to your files.

Money Laundering:

For the protection of all our clients, we operate a money laundering reporting procedure. Should there be any suspicion of money laundering we will inform the appropriate authorities.

Compromise of Your Claim:

By entering into this agreement you agree that when entering into a contract for the compromise of the claim we can include a condition requiring the payment of your damages and our costs within a certain time limit. In the event that the Defendant or their agent fails to comply with this time limit you agree and understand that the contract of compromise will be breached and therefore void and we will be free to issue Court proceedings should we deem this to be necessary.

Where a Judgment relating to costs and damages is paid either voluntarily or by enforcement proceedings you agree that any money recovered will first be used pay our costs until the total amount of the costs element of the judgment is satisfied before any money is paid to you in respect of the damages awarded under that Judgment.

Issue of Proceedings:

As we wish to act in your best interests by dealing with your claim in an efficient and effective manner we may deem it necessary to issue Court proceedings against the Defendant. By agreeing to our terms of business you agree to allow us to commence Court proceedings in your name as soon as we deem it to be in the best interest of your claim. You may opt out from this by confirming the same to us in writing prior to the commencement of Court proceedings.

Our Professional Charges and Expenses (“Costs”)

Unfortunately it is not possible to give you a final amount for the cost of our service to you as this is dependent upon the length of time the claim takes and the level of work required. For cases that are not concluded within 12 months, we will send you an update of the costs and expenses incurred during the progress of your claim at appropriate intervals or upon request.

Cost/Benefit Analysis:

Having considered your instructions we have carried out a cost/benefit analysis. Having regard to the likely costs of the claim, the likely benefit you will receive and the likelihood of you being required to meet any legal fees based upon our terms of business we consider that the benefit you may receive from the claim outweighs the likely costs of pursuing the claim.

Additional Charges

As explained below, all documents are created and stored electronically and documents received are scanned on for electronic storage. Should you require a copy of your file you will be required to pay an administration fee of £100.00 plus VAT at the applicable rate at the time, plus printing charges of £0.25 per sheet plus VAT, subject to our right to hold a lien over the file of papers.

As the claim progresses or until our charges have been paid we are entitled to keep hold of your file of papers at our discretion. If you would like a copy of any document you may obtain a copy of the same at a charge of £10.00 plus VAT for administration (per request) plus printing/copying charges of £0.25p per sheet up plus VAT up to a maximum of £50.00 plus VAT (per request). However we will refuse a request for a full copy of your file of papers until our lien over the papers has expired. Should you seek a copy of your file or of individual documents sending to you, you will be liable for the delivery/postage charges of the same in accordance with the Royal Mail’s Special Delivery rates.

Interest:

By entering into this agreement you agree that we may charge interest on our charges at a rate of 8% with interest becoming chargeable at the time the charge is incurred.

Payment of Charges

The payment of charges is governed by this agreement. Where charges are incurred over our service level agreement they will be charged as explained above on an interim basis. Where an interim bill remains outstanding we reserve the right to withdraw from acting.

It may be necessary for you to pay some expenses (disbursements) upfront; where this is necessary we shall notify you of the same and confirm the likely cost of the disbursement. We will then not incur the said expense until we have received payment from you.

Right to Cancel

By law you have the right to cancel this contract within 14 days without giving any reason (the cooling off period). The cancellation period will expire after 14 days from the day on which the agreement is entered into. Please note we will not perform any work under this agreement until the expiry of this period.

To exercise the right to cancel, you must inform us by post, fax, email, in person or by telephone at the contact details provided above of your decision to cancel this contract by a clear statement. You may use the attached model cancellation form, but it is not obligatory.

To meet the cancellation deadline, it is sufficient for you to send your communication concerning your exercise of the right to cancel before the cancellation period has expired.

In addition to the above cooling off period, as this is a contract with no fixed end date, you may terminate your instructions to us in writing at any time after the cancellation period has expired, but we can keep all your papers and documents while there is still money owed to us for fees and expenses.

We may decide to stop acting for you but only with good reason; for example, you have breached the terms of the Conditional Fee Agreement, or you cannot give clear or proper instructions to enable us to proceed on your behalf, or if it is clear that you have

lost confidence in us for whatever reason, or if your instructions conflict with our regulatory obligations. We will give you reasonable notice that we will stop acting for you.

In accordance with your specific instructions you have waived your right to the cooling off period as you have requested us to begin the performance of the service during the 14 day cancellation period.

Effects of Cancellation or Withdrawal

If you cancel this contract within the cooling off period, we will reimburse to you all payments received from you, including the costs of delivery (except for the supplementary costs arising if you chose a type of delivery other than the least expensive type of standard delivery offered by us).

We may make a deduction from the reimbursement for loss in value of any goods supplied, if the loss is the result of unnecessary handling by you.

We will make the reimbursement without undue delay, and not later than –

- 14 days after the day we receive back from you any goods supplied,

or

- (if earlier) 14 days after the day you provide evidence that you have returned the goods,

or

- if there were no goods supplied, 14 days after the day on which we are informed about your decision to cancel this contract.

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

However as you requested to begin the performance of services during the cancellation period if you subsequently cancel you will be liable for and we may seek payment of our fees, VAT, expenses and disbursements in accordance with the hourly rate stated in the Conditional Fee Agreement and charged in the normal method i.e. on a timed unit basis up to the date you communicated your notice of cancellation.

If you cancel your instructions outside of the 14 day cancellation period, or if we have withdrawn from acting for you, you shall pay to us an amount in accordance with the hourly rate stated in the Conditional Fee Agreement and charged in the normal method i.e. on a timed unit basis up to the date we received your notice of cancellation or the expiry of our notice to you that we were no longer acting for you.

It may be the case that we are required due to our regulatory responsibilities to take certain steps after we have stopped acting for you, such as apply to come off Court record or agreeing an undertaking with your new solicitors. Taking such necessary steps will result in additional charges being incurred for which you shall pay to us in accordance with the hourly rate stated in the Conditional Fee Agreement and charged in the normal method i.e. on a timed unit basis.

It may also be the case that, following our invoicing to you of the applicable charges, if you fail to pay them as required, this will result in additional costs to us in chasing payment, issuing court proceedings and/or taking enforcement action against you. Taking such steps will result in additional charges being incurred for which you shall pay to us in accordance with the hourly rate stated in the Conditional Fee Agreement and charged in the normal method i.e. on a timed unit basis.

If you are invoiced:

1. you are entitled to complain about the bill, under our usual complaints procedure and then to the Legal Ombudsman if you are not satisfied with the outcome of the complaint; and/or
2. apply to the Court for an assessment under Part III of the Solicitors Act 1974.

However:

1. we may exercise our right to keep all papers, documents, money or other property held on your behalf until all money due to us is paid; and
2. we must advise that if all or part of the bill remains unpaid, we are entitled to charge interest at a sum of 8% per annum

Holding Your Papers after Cancellation or a Withdrawal from Acting (Lien):

This is our right to keep all papers, documents, money (including interim payments) or other property held on your behalf until all money due to us is paid. A lien may be applied after this agreement ends unless another solicitor working for you undertakes to pay us what we are owed including the Success Fee if you win. You agree that the following conditions of an Undertaking to preserve this lien are reasonable and appropriate:

1. An Undertaking to preserve your lien to costs regarding this claim until SPG Law receive their full costs, including disbursements, or until after detailed assessment of inter parties and solicitor / own client costs, the sums assessed by the court are received by SPG Law.
2. A requirement that firm of solicitors agree to return the file to SPG Law, over which their lien applies within seven days of receipt of their written request to do so.
3. An Undertaking to preserve the position of SPG Law for costs relating to all work undertaken by SPG Law on behalf of the client at all times.
4. An Undertaking to keep SPG Law fully updated on a regular basis regarding the progress of the claim as and when requested to do so by SPG Law, and undertake to confirm the current stage of the case in the claims process.
5. An Undertaking not to compromise costs due to work undertaken by SPG Law that will compromise the position of SPG Law without express written confirmation and agreement for you to do so.
6. An Undertaking return the file over which their lien applies to SPG Law within seven days of being requested to do so in relation to preparation for a detailed assessment hearing between inter parties.
7. An Undertaking to inform SPG Law within seven days of settlement, and / or to inform SPG Law within seven days of receipt of a trial date.
8. An Undertaking to inform SPG Law immediately if a request from an alternative solicitor for our clients file is received, and we undertake to request an identical undertaking to this from those solicitors to SPG Law and to you.

Your opponent's Professional Charges and Expenses ("Costs")

In entering into the Conditional Fee Agreement and accompanying Litigation Management Agreement, you will be provided with insurance of £10m (After the Event Insurance) which will protect you against any award of adverse costs in entering into the litigation so long as you comply with the terms and conditions of this agreement.

Code of Conduct

Excello Law Limited is authorised and regulated by the Solicitors Regulation Authority. As such Your Lawyers is required to follow the SRA's Code of Conduct which is contained within the SRA's Handbook which can be located on their website at the following URL address <http://www.sra.org.uk/solicitors/handbook/welcome.page>

Complaints

SPG Law operates a formal complaints procedure. If you have a complaint with the way in which your file is being handled please provide us with details. All complaints will be assessed and handled under our in-house complaints procedure.

Our internal complaints procedure shall be sent to you on receipt of your formal written complaint or at your request before you have made a formal complaint.

Once the internal complaints system has been exhausted if you are unhappy with the outcome you can raise your complaint with the Legal Ombudsman. The Legal ombudsman states that you should give us at least 8 weeks to resolve your complaint. If you are not happy with our final response, you can raise your complaint with the Legal Ombudsman. The Legal Ombudsman states that the general rule is that any complaint brought to their attention should be done no later than 6 years after you considered there was a problem, and within 3 years of receiving a final response from us.

The Legal Ombudsman can be contacted on 0300 555 0333, by e-mail on enquiries@legalombudsman.org.uk or in writing at Legal Ombudsman, PO Box 6806, Wolverhampton, WV1 9WJ.

Barristers:

If we instruct counsel on your behalf and you wish to make a complaint about their services you can do this through us or directly with the chambers. Full details of their complaints procedures can be found at their website or is available upon request. If you

remain dissatisfied with the chambers' complaint process you may contact the Legal Ombudsman. You should allow up to 8 weeks for the chambers to resolve the complaint and the complaint should be referred to the Legal Ombudsman no later than 12 months from the date when the problem first arose or from the date when you should reasonably have become aware there was cause for complaint.

Limitation of Liability

Our liability to you for a breach of your instructions shall be limited to £15m, unless we expressly state a higher amount in the letter accompanying these terms of business. We will not be liable for any consequential, special, indirect or exemplary damages, costs or losses or any damages, costs or losses attributable to lost profits or opportunities.

We can only limit our liability to the extent the law allows. In particular, we cannot limit our liability for death or personal injury caused by our negligence.

Please ask if you would like us to explain any of the terms above.

We limit our liability to you for claims:

- For breach of contract;
- For breach of duty
- For negligence (Except where we have entered into a contentious business agreement and insofar as such limitation would be contrary to the Solicitors ACT 1974 s 60 (5); and
- For claims otherwise arising out of or connection with our engagement or the services we provide, in the two ways described below.

Equality and Diversity

We are committed to promoting equality and diversity in all of our dealings with clients, third parties and our employees. Please contact us should you require a copy of our equality and diversity policy.

Storage of Documents

Incoming post is scanned into our case management systems. After scanning, all routine correspondence is shredded, but important original documents are retained until case conclusion. Outgoing correspondence and file records are imaged directly into our computer system so there are no paper carbons. Your computer file will usually be electronically archived within one month of conclusion and we will retain your file for 7 years only. However, we have no paper storage facilities so if there are any original paper documents which you wish to retain, please notify us **before** your claim is concluded so that we can forward any such items to you for safekeeping. If you require us to retrieve a file from our archive database and reinstate it in paper format, we will charge you for this facility. An explanation of how these charges are calculated is provided above.

Data Protection

We use the information you provide primarily for the provision of legal services to you and for related purposes including:

- Updating and enhancing our client records
- Analysis to help us manage our practice
- Legal and regulatory compliance

Our use of that data is subject to your instructions, the Data Protection Act 1998 and our duty of confidentiality. Please note that our work for you may require us to give information to third parties such as medical agencies, expert witnesses and other professional advisers. By entering into this agreement you agree to us providing your information to others necessary for the progression of your claim. You have a right of access under data protection legislation to the personal data that we hold about you subject to the charges explained above.

We may monitor, record, store and use any telephone, email or other communication with you in order to check any instructions given to us, for training purposes, for crime prevention and to improve the quality of our customer service.

Your Responsibilities

We will need from you all necessary documentation to support your claim and to enable us to conclude it as quickly as possible.

Please be aware that it is your responsibility to seek and attempt to retain evidence that could be vital to the success of your claim, such as witness information, photographs of defects and injuries, etc. Several items of evidence can easily become no longer obtainable after certain periods of time. If you are aware of any evidence that you need to obtain, you will need to do as a matter of urgency and as soon as possible after your accident.

Duty of Confidentiality

Please be aware that legal advice we provide to you by phone, email, letter, and in any other format is privileged and must never be disclosed to the Defendant(s), their lawyers, and/or the Court, and must remain private. It is important that all my communications with you are treated as confidential because **it might harm your prospects of success if you share information** about your claim with others. This includes posting information about your case or anything about your claim on social networking sites and support groups. In previous litigations we have been involved in, some Claimants have discussed legal claims online via social media, forums, and other such places which, in my experience, are platforms that Defendants and their lawyers will monitor to obtain information to use to their advantage.

Honesty and Credibility

You must be honest with us and the experts / third parties we instruct for your claim at all times. Defendants, insurers, and solicitors do have access to databases, and can obtain records, which can be used to question and / or undermine your credibility as a Claimant; particularly if you withhold information. For example, they have access to databases which show previous accidents you have been involved in, and previous claims you have made. If you therefore do not tell us or a medical expert (as an example) about a previous accident, or you deny being involved in a previous accident when asked, your credibility can be called in to question in the event this is not accurately addressed in your case and conflicts with databases and records they have access to.

If you are unsure, please speak to your File Assistant or Solicitor – **we are here to help**. This is very important for you to understand because, through our extensive experience helping people making claims, Defendants, insurers, and solicitors can, and often will, use anything they can to discredit you as a Claimant. This in itself can include things you post on social media sites such as Facebook and Twitter which, as advised above, can be subject to monitoring from the defendants side. An example of this might be where you claim losses for being unable to work or unable to use a gym, but post on social media outlets that you are “at work” or have been to the gym during a time you are claiming to be off work or unable to use a gym. Factors like this, which may seem small, can actually have a significant impact on your claim, because any evidence that suggests you are not credible can be used to “strike out” a claim in its entirety. A strike out is where your claim is essentially stopped by the Court, and can leave you responsible for paying the Defendants fees and our fees in the event you are found to have been dishonest.

You therefore have a duty not to put any information regarding your claim into the public domain, such as Google, Facebook or Twitter.

Fundamental dishonesty (as outlined separately in this agreement) can, in the worst case scenario, lead to contempt of court, perjury, and custodial sentences. Please ensure you are always honest when providing us and our instructed third parties with instructions. If you are ever unsure, please ask us and we will be happy to guide you and help you.

Further to all other responsibilities contained within this agreement you must specifically:

1. Not act or fail to act in a way as defined within section 1 of the CFA Terms and Conditions
2. Follow our advice.
3. Provide, at your own expense, any proof, evidence, certificates and assistance we may reasonably request of you in connection with your claim.
4. Co-operate with us fully.
5. Take all reasonable steps to recover any costs or expenses and to minimise the amount payable by us under our cover.
6. Take all reasonable steps to resolve disputes that otherwise may give rise to a claim.
7. You must not abandon or withdraw any claim or legal proceedings or withdraw instructions from us without our consent
8. You must not pursue a claim in any way against our advice.
9. You must not incur any fees, costs, expenses or disbursements without our consent and/or recommendation.

Mitigation of Loss:

In accordance with the common law every Claimant (i.e. the person bringing the claim – YOU) has a duty not to unreasonably incur losses. This essentially means that you must take reasonable steps to avoid incurring losses for example not delaying your return to work but returning when you are fit and ready or seeking regular medical advice from your GP in respect of treatment if your symptoms do not settle.

If you fail to take such reasonable steps your opponent may raise ‘mitigation’ arguments which if successful will result in you being compensated as if you had taken those reasonable steps and not for the loss which was unreasonably incurred. If you require further information about your duty please contact me.

Exaggeration of your Claim:

Should you exaggerate any aspect of your claim you risk your claim being struck out for an abuse of process. If this was to occur it is likely that the Defendant will be awarded their costs of defending the action against/pursuing the strike out for which you will be liable.

Statement of Truth:

When signing a Statement of Truth you are confirming that you have an honest belief in the truth of the content of statement/document being verified. Should you sign a Statement of Truth or cause a Statement of Truth to be signed without such an honest belief of the truthfulness of the statement proceedings for contempt of court may be against you. If you are found to be in contempt of court you may be subject to a fine and/or imprisonment. **You authorise SPG Law to sign a statement of truth on your behalf and in providing your ongoing instructions verify that you have an honest belief in the truthfulness of those instructions.**

Right to Amend

SPG Law reserves the right to amend these terms of business at any time and you agree that by providing continuing instructions following the sending of the amended Terms of Business to be bound by its changes unless you specifically agree in writing a change you do not agree with within 14 days; in such instance the previous term will prevail.

PLEASE ONLY SIGN THIS IF YOU DO NOT WANT TO CONTINUE THE CLAIM

THIS IS A CANCELLATION FORM ONLY – YOU DO NOT NEED TO SIGN THIS IF YOU INTEND TO CONTINUE WITH THE CLAIM

As you have waived your right to “cooling off” period if you cancel your claim you will be liable for our fees as above.

Cancellation form

To
SPG Law (a trading name of Excello Law Limited)
5 Chancery Lane
London
WC2A 1LG

Email: clientcare@spglaw.co.uk

I, hereby give notice that I cancel my contract for the supply of legal services in relation to the pursuit of a claim for compensation in the Volkswagen NOx Emissions Group Litigation.

Name of client:

Address of client,

Signature of Client (only if this form is notified on paper),

.....

Date

5 Chancery Lane, London, WC2A 1LG

t: +44 (0) 345 257 6377 f: +44 (0) 207 000 1269 spglaw.co.uk

SPG Law is a trading name of Excello Law Limited. Registered Office: 5 Chancery Lane, London, WC2A 1LG Registered in England and Wales No. 6284764. SPG Law Limited is authorised and regulated by the Solicitors Regulation Authority. A list of directors is available for inspection at our registered office. Please note that we do not accept service by fax.

The term "partner" is used to refer to an employee or consultant of SPG Law (which is a trading name of Excello Law Limited). No reference to a "partner" is to imply that any person is carrying on business with others in partnership for the purposes of the Partnership Act 1890 or Limited Liability Partnerships Act 2000 (including any amendments). Confirmation as to the official status of a "partner" can be provided upon request.

LITIGATION MANAGEMENT AGREEMENT

*This Litigation Management Agreement ('LMA') takes the form of a contract between you and all of the other Claimants agreeing to form the Volkswagen Emissions Group represented by SPG Law (a trading name of Excello Law Limited) ('the **Representatives**') in the Volkswagen, Audi, Skoda and Seat NOx Emissions Group Litigation (the SPG Law Claimants). The LMA is also a contract between you and the Representatives. For the sake of good order, and because the Volkswagen, Audi, Skoda and Seat NOx Emissions Group Litigation will be managed subject to a Group Litigation Order with a single Managing Judge, it is desirable for the Representatives respective clients' cases to be conducted as though all clients were part of a single group.*

*The LMA sets out the obligations of Claimants to each other, how the Proceedings will be managed and how decisions will be taken, and appoints a committee (the '**Committee**') for that purpose.*

DATED AS AT THE DATE OF YOUR ACCEPTANCE OF ITS TERMS

BETWEEN:

YOU and all those who accept this Agreement and whose names and addresses will appear in the Register which will be kept by the Representatives (each referred to as a '**Claimant**' and together the '**Claimants**') which may be updated from time to time as provided for in this Agreement.

AND

the Representatives, being SPG Law (a trading name of Excello Law Limited), 5 Chancery Lane, London, WC2A 1LG.

BACKGROUND

- A. The Claimants were all, or continue to be, owners or have an interest in, Volkswagen Group manufactured vehicles equipped with EA189 1.2, 1.6 and 2.0l diesel engines.

- B. The Claimants intend to begin proceedings (the ‘**Proceedings**’) against Volkswagen AG, Audi AG, Volkswagen Financial Services (UK) Limited, Inchcape Retail Limited, other VW authorised dealerships, and any other person against whom the Representatives and the Committee of Claimants formed by this LMA consider it prudent to litigate (the ‘**Defendants**’).
- C. The Claimants have all confirmed that they understand and appreciate the risks of the Proceedings, that they understand their obligations to the Court and that they understand the nature of the allegations that will be pursued in the Proceedings.
- D. The purpose of this LMA is to confirm certain aspects of the process by which the Proceedings will be managed, including the role of the Committee, how information will be shared between the Claimants, how costs will be dealt with, and how the Claimants’ costs, liabilities (including adverse costs), and any recoveries from the Proceedings will be apportioned.
- E. The Committee has entered or will enter into the following documents on the Claimants’ behalf: an After the Event insurance policy (the ‘**Policy**’), a Litigation Funding Agreement with a Litigation Funder (the ‘**Funding Agreement**’). Each Claimant has entered into a Conditional Fee Agreement with the Representatives and has entered into or will enter into an individual Agreement with the Litigation Funder.
- F. The general effect of the Policy is that the Claimants’ own costs of the Proceedings will be met (in the first instance) by the CFA and Litigation Funder and that any adverse costs that might become payable to the Defendants will be paid by the Policy. The CFA, and the Funding Agreement will deal with the order in which any recovered monies from the Proceedings will be paid out and to whom. In this LMA, all and any value received by, on behalf of, or in lieu of payment to, the Claimants (or any of them) in connection with the Proceedings as a result of any judgment, award, order, settlement or compromise whatsoever, including payment of any damages, compensation, interest, restitution, recovery, judgment sum, arbitral award, settlement sum, compensation payment, costs and interest on costs, whether in monetary or non-monetary form, before deduction of any taxes which the Claimants (or any one of them) may be liable to pay are referred to as the ‘**Claim**

Proceeds'. The Claim Proceeds are subject to the CFA and the Funding Agreement.

IT IS HEREBY AGREED AS FOLLOWS

1 Declaration of Common Interest and Purpose

The Claimants' individual circumstances vary considerably. Despite this, they all agree that they all have a common interest in pursuing the Proceedings and warrant by joining the Proceedings that they have no interest adverse to the success of the Proceedings.

The Claimants' common interest is in attempting to secure the largest possible sum in damages for distribution to the group. It is understood that if the Proceedings are successful some Claimants may be compensated in a different way from others.

If there is a settlement before trial, the Claimants agree that no detailed account will be taken of the individual merits or demerits of individual Claimants' cases (if any) and accept that adjudicating between individual Claimants' cases would be disproportionately expensive and burdensome, so that it is agreed that the proceeds of settlement will be distributed fairly in accordance with advice received from Leading and Junior Counsel. In consequence of treating Claimants fairly, the Claimants accept that it may be necessary to distinguish between different categories of Claimant.

2 Sharing of Information, Confidentiality and Legal Professional Privilege

2.1 Information which is confidential to the Claimants shall be referred to as '**Confidential Information**'. The Claimants agree that the duty of confidentiality owed to them individually by the Representatives in respect of:

- a) the facts of their individual claims disclosed to the Representatives by the Claimant or by any other party in or third party to the Proceedings; and
- b) any documents produced by them or to them through disclosure,

shall be waived as against their fellow Claimants and the Committee in so far as the Representatives consider it necessary or helpful to compare the facts of individual claims for the purposes of advising on and conducting the common aspects of the Claimants' claims in the Proceedings, and shall be waived as against each of the Representatives. In either case, the Claimants' Confidential Information will be shared on terms of confidentiality and without any waiver of privilege.

- 2.2 The Representatives shall be authorised to report to the Claimants as a body on the facts underlying each Claimant's claim. These facts will include those stated in the evidence disclosed by the Defendants. Reporting shall only be undertaken which is consistent with the implied obligation to the Defendants only to use the documents disclosed in the Proceedings for the purpose of the Proceedings. Further, this provision is subject to any specific requests by Claimants that their anonymity be preserved.
- 2.3 The Claimants agree that the fact and terms of any offer to settle made to any individual Claimant in the Proceedings may be disclosed by the Representatives to any other Claimant and to the Committee.
- 2.4 The Claimants further agree that, if the Representatives consider it to be necessary or helpful, it may use information or documents derived from one Claimant's individual claim in any other Claimant's individual claim or in the Proceedings in general.
- 2.5 Any information shared amongst the Claimants and between the Claimants and the Committee pursuant to clauses 2.1, 2.2, 2.3 and 2.4 above shall remain fully confidential as against any person who is not either a Claimant or a professional adviser of a Claimant with a duty of confidentiality to that Claimant and the Claimants undertake that they will keep all such information fully confidential and will not disclose any such information to any third party except for the purposes of obtaining professional advice or as required to the proper authorities or the court.
- 2.6 If a Claimant ceases to be a party to this Agreement, his duty of confidentiality shall continue with full force and effect.

- 2.7 The Claimants agree that the Representatives' duty to report to their clients shall be satisfied by the Representatives reporting to the Committee and that it is in the best interests of the Claimants as a whole for communications with them to be circumspect because of the risk that they may be passed to the Defendants.
- 2.8 All communications between the Representatives and the Claimants or any of them shall be subject to legal professional privilege and the Claimants agree that solicitor client privilege shall not be waived or abrogated from in any way by the passing of Confidential Information amongst the Claimants.
- 2.9 The Claimants agree that they will not disclose to any person who is not either a Claimant or a professional adviser of a Claimant with a duty of confidentiality to that Claimant any advice received from the Solicitors or any other communication received from the Committee in connection with the Proceedings save as required to the proper regulatory authorities or the court.
- 2.10 The Claimants recognise the commercial sensitivity of the terms of the insurance Policy and the Funding Agreement and waive any requirement there may be to send them full copies, which will instead be available for inspection at the offices of SPG Law (a trading name of Excello Law Limited) in London.
- 2.11 The Claimants agree that the Representatives may, for reasons of cost efficiency or otherwise, instruct a third party firm to manage some of the administrative burden of the Proceedings and, in particular, to maintain a secure website to facilitate communication and the exchange of information between the Claimants, the Committee and the Representatives.

3 Claimants' Costs

- 3.1 The Claimants' liability for costs will be provided for by the terms of the Conditional Fee Agreement ('CFA') and this LMA (which has the effect of varying the CFA as set out below) unless they have agreed otherwise in writing with the Representatives.
- 3.2 The Claimants agree so far as may be possible to run the common elements of their separate claims jointly, and for the common costs ('**Generic Costs**') to be shared in accordance with this Agreement. Elements of Claimants' individual claims which are unique to individual Claimants are defined as '**Individual Costs**'. The costs of dealing with specific issues which apply to some but not all Claimants are defined as '**Issue Costs**'. As further set out in clause 3.3 below, the Claimants agree that **Individual Costs** and **Issue Costs** should be treated as Generic Costs.
- 3.3 The Claimants agree that the Proceedings should be managed under a Group Litigation Order to regulate their claims and agree that the costs of any test case within the Proceedings will be treated as Generic Costs.
- 3.4 By entering into this Agreement each Claimant agrees that his or her share of costs shall be dealt with under the CFA, as further set out in clause 4 below under the title 'Costs Sharing', from the date on which the Representatives began acting for the Claimant.
- 3.5 The Claimants authorise the Representatives to incur legal and other professional costs and disbursements (including but not limited to the fees of Leading and Junior Counsel, experts, PR professionals, the suppliers of case management and document management software, and costs draftsmen) notwithstanding that any element of these professional costs and disbursements may be deemed an item of unusual costs and irrecoverable from the Defendants.
- 3.6 Pursuant to the terms of the CFA and the Funding Agreement, the Claimants whose costs are to be met by a combination of third party funding and the Representatives CFA agree as follows:

- a) The Representatives will raise disbursement-only invoices in respect of the costs of third parties, including Counsel, and will submit them to the Committee, whose structure and role is described and defined at clause 6 below. The disbursement-only invoices will be paid under the terms of the Funding Agreement;
- b) The Representatives costs and disbursements will be liable for a solicitor-own client assessment of costs under section 70 of the Solicitors Act 1974 at the request of the Committee.

4 **Costs Sharing**

- 4.1 The Claimants agree that, unless the Court orders otherwise, the amount of costs referable to each Claimant and payable under the CFA and Funding Agreement shall be a '**Proportionate Share**'.
- 4.2 The Proportionate Share shall be calculated by reference to the number of vehicles in respect of which each Claimant claims. This is a variation of the costs sharing provisions of the CFA.
- 4.3 Each Claimant agrees that the Solicitors are entitled to charge them a Proportionate Share of all work undertaken from the date the Representatives started to work on the Proceedings (for the avoidance of doubt, this includes all work undertaken by the Solicitors from the 18th September, 2015 onwards).
- 4.4 The Claimants recognise the Proportionate Share as defined in this clause is based on what the Claimants will claim and that the result of the Proceedings may be that the actual relationship between a Claimant's damages and the overall damages awarded may differ.
- 4.5 The Claimants agree that the Representatives should apply to the Court for a Court order reflecting this agreement. In the event that no such order is made, the Claimants

and each of them agree to the following mechanism in respect of their Proportionate Share of costs:

- a) an individual Claimant can require all the other Claimants to provide him with their share of an indemnity in respect of his own costs liability, each such indemnity in respect of other Claimants' costs being calculated on the same basis as the Proportionate Share as set out at clause 4.2 above in respect of each individual's Claimant's costs liability, that indemnity will be, in total, a full indemnity; and
- b) by agreeing to accept the indemnity mentioned in clause 4.5(a), an individual Claimant is required to provide each and every one of the other Claimants with his share of an indemnity in respect of the other Claimants' own costs, such share being on the basis set out in clause 4.5(a) above.

4.6 For the avoidance of doubt, the reason for the indemnities in clause 4.5 above lies in the so-called 'indemnity principle' which lies behind most of the law in relation to the recovery of costs. The indemnity principle means that a Claimant can only recover the costs for which he is liable. Clause 4.5 will only apply in the unlikely event that the Court does not make a costs sharing order reflecting Clause 4.1.

5 Sharing of the Risk of Paying the Defendants' Costs

5.1 The Claimants agree collectively that the Claimants' liability for the Defendants' costs is several and not joint. No single Claimant should, in the event of an adverse costs order in respect of Generic Costs being made, bear more than a Proportionate Share of the other side's costs. In respect of each Claimant's adverse Individual Costs each Claimant will bear a several liability.

5.2 The Claimants agree that the Solicitors should apply to the Court for a Court order reflecting this agreement.

5.3 In the event that no such order is made, the Claimants each accept that any Claimant who is burdened with a greater share should be entitled to recover the difference from his fellow Claimants: any Claimant who has initially borne a greater burden of such liabilities shall have a right of recovery which the Claimants agree will not be contested against any of his or her fellow Claimants who have not paid their share. Clause 5.3 will only apply in the unlikely event that the Court does not make a costs sharing order reflecting Clause 5.1.

5.4 Nothing in this Agreement shall make the Committee or any member of it liable for such costs save to the extent that any such member faces a liability in respect of his capacity as a Claimant.

6 **The Committee**

6.1 The initial members of the Committee (the ‘**Initial Committee Members**’ where it is appropriate to distinguish between initial and subsequent members; and a member of the Committee shall be referred to as a ‘**Committee Member**’) shall be the following individuals:

- a) Ms Sophie Thomas (Chairwoman)
- b) Mr Haresh Kainth
- c) Mr Keith Hall

Ms Sophie Thomas shall be appointed as Chairwoman.

6.2 The following rules shall govern Committee meetings:

- a) Committee meetings must be held in the presence of the Representatives, may be called by any Committee Member and may be held in person on seven days’ notice or by conference call on 24 hours’ notice, such notice to be provided by email or by other means if so agreed by a Majority of Committee Members’ votes cast (‘**Majority**’ in this Agreement means more than 50%);

- b) Committee meetings shall be considered quorate only if three or more members are in attendance, whether in person, by telephone or by Skype or similar, save where the number of Committee Members has is below three; in which case a Committee meeting shall be quorate if all remaining members are in attendance;
- c) No one who is not a Committee Member, a representative of the Representatives or Counsel shall be entitled to attend a Committee meeting other than by the invitation of three Committee Members or by the invitation of the Representatives;
- d) Minutes must be kept by the Representatives of all meetings and approved by the Committee by simple majority.
- e) The Chairwoman/Chairman may exercise a casting vote in the event of a tied vote;
- f) The Committee may dismiss a Chairwoman/Chairman by majority vote and appoint a new Chairwoman/Chairman by simple majority.

6.3 The following rules shall govern the appointment, removal, and resignation of Committee Members:

- a) a person shall cease to be a Committee Member as soon as he or she:
 - i. retires by notifying each member of the Committee and the Solicitors in writing (but only if enough Committee Members remain in office to form a quorum for meetings);
 - ii. dies;
 - iii. becomes incapable by reason of mental disorder, illness or injury of managing and administering his or her own affairs;

- iv. has a bankruptcy order made against him or her; or
 - v. a majority of the Committee Members resolve at a properly convened meeting of the Committee, and with the prior or simultaneous consent of the Representatives , that he or she should cease to be a member of the Committee;
- b) a person shall be appointed a member of the Committee by the resolution of a majority of the Committee Members at a properly convened meeting of the Committee, providing that the number of Committee Members shall not exceed twelve and providing that the Representatives have given their consent.
- 6.4 The Committee will give instructions to the Representatives in relation to the conduct of the Proceedings, including (without limitation):
- a) the entry into the Policy;
 - b) the entry into the Funding Agreement;
 - c) discontinuance in relation to any individual Claimant;
 - d) the acceptance and making of offers to settle;
 - e) in relation to the commencement or response to an appeal of any interlocutory or final order in the Claim;
 - f) the running of the claim.
- 6.5 In relation to all matters other than the acceptance and making of offers to settle, the business of the Committee will be resolved by a simple majority of Committee Members voting and in the event of a split vote the Chairman shall have the casting vote.

6.6 In relation to the acceptance and making of offers to settle and the operation of the Distribution of Global Damages Clause, the votes of Committee Members shall be equal, provided that no vote in favour of the acceptance or making of an offer shall be passed unless the Representatives advise it to be in the best interests of the Claimants as a whole.

6.7 In addition, the Committee will:

- a) act as the Claimants' representatives to the Representatives in relation to the Proceedings;
- b) ensure that the Representatives report to the Claimants from time to time on the progress of the Proceedings;
- c) ensure that the Representatives report to any Third Party Funder and insurers in accordance with their requirements;
- d) arrange for the distribution of Claim Proceeds, as defined in Recital F above, to the Claimants.

6.8 The Committee may apply on behalf of the Claimants for any solicitor/own client assessment under section 70 of the Solicitors Act 1974 in respect of any Bills of Costs raised by the Representatives (incident any disbursement incurred) in respect of Generic Costs, Issue Costs, and Individual Costs as set out further below.

6.9 The Claimants agree that as a matter of practicality the level of detail of the Representatives reports to the Claimants under sub-clause 6.7 (b) above must be restricted because of the risk that they may be passed to the Defendants.

6.10 The Committee will at all times act in accordance with the terms of this Agreement and use its reasonable endeavours to act in the best interests of the Claimants as a group.

6.11 Subject to clause 6.10 above, no member of the Committee shall be liable to the Claimants (or any of them) for his or its own acts, neglects or defaults or for any loss to the Claimants incurred in connection with his role as a Committee Member, unless caused through his own fraud or dishonesty.

6.12 No Committee Member shall be liable for the acts, neglects or defaults of any other Committee Member.

6.13 The Committee Members shall be indemnified by the Claimants against any costs, losses or expenses to which they may become liable as a result of the proper exercise of their duties as Committee Members.

6.14 The Claimants agree that the Committee Members shall be entitled only to reimbursement of their reasonable expenses.

7 Authority of the Committee

7.1 Each Claimant irrevocably appoints the Committee to be his, her or its agents in relation to the Proceedings and grants authority to the Committee to enter into the Funding Agreement on his behalf and further confirms that the Committee may give instructions to the Representatives in relation to the conduct of the Litigation, including without limitation:

- a) discontinuance by all Claimants, or any one or more of them;
- b) the entry into and conduct of settlement negotiations;
- c) the acceptance and making of offers to settle (including for the avoidance of doubt the acceptance and making of offers in accordance with the Distribution of Global Damages Clause and the acceptance of making of offers to settle not only the claims in the Proceedings but

also to enter an agreement in full and final settlement of all claims the Claimants may have against the Defendant or Defendants);

- d) the instruction of Counsel, experts and the incurring of any other disbursements or third party liability that the Representatives consider is necessary for the conduct of the Litigation;
- e) the execution of the ATE Policy and any further ATE policy which may be required for the purposes of pursuing the Claim save that the Committee may not impose any funding liability upon the Claimants which would exceed 50% of their Damages;
- f) the execution of any funding agreements (including any new, revised or further funding agreements) for the purposes of pursuing the Claim save that the Committee may not impose any funding liability upon the Claimants which would exceed 50% of their Damages;
- g) the negotiation of new terms under which the Solicitors will charge;
- h) the negotiation of a Distribution of Global Damages Clause with the Litigation Funder and Insurers issuing the Policy providing for priority of payments and distribution of sums recovered save that the Committee may not impose any liabilities upon the Claimants which would exceed 50% of their Damages.
- i) that the Committee may do any ancillary necessary act and execute any ancillary necessary document.

7.2 The Claimants agree further to ratify and to confirm anything the Committee does or executes on their behalf in relation to the Proceedings in the proper execution of its role.

8. **Distribution of Global Damages Clause and Priority of Payments**

- 8.1 The Claimants recognise that if there are negotiations to settle the Proceedings with the Defendants, it is highly likely that any offers made will be on a global basis. The Claimants specifically authorise the Committee to solicit offers on a global basis and to allocate and distribute the Claim Proceeds, subject to the terms for priority of payments contained in the Funding Agreement, any agreement with the Insurers issuing the Policy and clause 10 below, by reference to the amounts claimed or by any other method which the Representatives advises is an appropriate method of determining a global settlement of damages. The Claimants agree that the Committee has a discretion to decide which of these methods (and/or a combination of these) is most appropriate.
- 8.2 In giving this authority, the Claimants appreciate that the effect of this ‘**Distribution of Global Damages Clause**’ is that no detailed account will be taken of the individual merits or demerits of individual Claimants’ cases (if any) and accept that adjudicating between individual Claimants’ cases would be disproportionately expensive and burdensome.
- 8.3 It is expressly understood by the Claimants that it is not possible at this stage to predict with accuracy how the Court may determine how damages should be calculated; and nor is it possible to predict how the argument between the parties will clarify how damages should be calculated.

9. **Recovery of Damages and Costs**

- 9.1 The Claimants agree that the Claim Proceeds as defined in Recital F above shall be paid out in accordance with the terms for priority of payments contained in the Funding Agreement and any agreement with the Insurers issuing the Policy.
- 9.2 Notwithstanding any other provision of this Agreement, if any Claim Proceeds are paid prior to the disposal of any part of the Proceedings or prior to any payment in respect of costs, a retention will be made from the damages of an amount which in the

reasonable view of the Solicitors and the Committee will be sufficient to fund the costs to be incurred in connection with:

- a) such parts of the Proceedings as have not at that stage been settled or finally determined by the Court; and / or
- b) assessment proceedings or negotiating the recovery of costs with the Defendants.

10. Distribution of Claim Proceeds

10.1 The Claimants agree that the distribution of any Claim Proceeds shall be effected through the Representatives and/or their duly appointed agent who will be instructed to distribute the Claim Proceeds in accordance with an agreed formula. The costs of distributing the Claim Proceeds will be paid out of the Claim Proceeds.

11. Commencement

11.1 This Agreement shall commence on the date that the first Claimant accepts its terms.

12. Execution by the Representatives & the Committee

12.1. In making this Agreement available for signature, the Representatives and the Committee have signalled their agreement to its terms. In addition the Representatives and Committee will execute a single copy of the Agreement and such execution shall be evidence of the Representatives' and Committee members' agreement with every Claimant who agrees to this Agreement.

13. Termination

13.1 If a Claimant dies during the course of this Agreement the rights and obligations of that Claimant under this Agreement shall pass to his personal representatives.

- 13.2 Any Claimant who is found to have brought a fraudulent claim (a ‘**Fraudulent Claimant**’, a ‘**Fraudulent Claim**’) risks having this reported to the police and being subject to a criminal prosecution. In the event that it is established that a claim is being brought dishonestly, this Agreement will automatically terminate and the Fraudulent Claimant will become liable for: (a) his/her/its Proportionate Share; and (b) any costs of the Solicitors incurred as a result of his/her/its Fraudulent Claim; and (c) the Fraudulent Claimant may also become liable for Adverse Costs. It is agreed that a Fraudulent Claimant should pay such costs immediately as though the Solicitors’ costs had been occurred on a private standard retainer at the hourly rate prescribed within the Solicitors’ CFA.
- 13.3 A Claimant who wishes to discontinue his claim prior to being joined to the Proceedings but after the period of 14 days described below at paragraph 14 under ‘Your Right to Cancel’ may only do so with the permission of the Committee.
- 13.4 In addition to requiring the permission of the Committee, a Claimant who is joined to the Proceedings after the period of 14 days described below at clause 14 under ‘Your Right to Cancel’ may, as a consequence of the provisions of Part 38 of the Civil Procedure Rules, be able to withdraw only with the permission of his, her or its fellow Claimants or with the permission of the court. The normal position is that a discontinuing claimant is ordered by the court to pay a share of the Defendants’ costs up to the date of discontinuance. Any such court order would be the sole responsibility of the discontinuing Claimant. It is very unlikely that the payment under any such court order would be covered by the Legal Expenses Insurance.
- 13.5 In addition, if a Claimant is permitted by the Committee to discontinue prior to the resolution of the Proceedings, that Claimant agrees to pay:
- a) his, her or its Proportionate Share of the costs incurred on behalf of the group by the funders up to the date of discontinuance; and
 - b) the costs of the Representatives associated with his, her or its discontinuance, including the cost of any application to discontinue.

- 13.6 The same cost consequences will apply to any Obstructive Claimant (as defined in clause 14.5 below) whose Claim is required to be discontinued under Clause 14.5 below.
- 13.7 If any Claimant ceases to be a party to this Agreement, the obligations contained in this Agreement shall remain in full force and effect in relation to the departing Claimant's liabilities for Claimants' and Defendants' costs incurred up to the end of the calendar month in which the departing Claimant ceases to be a party to this Agreement.
- 13.8 In the event of one or more Claimants ceasing to be a party to this Agreement for any reason it is further agreed that the obligations of the remaining Claimants one to another will continue in all respects.

14. Your Rights to Cancel and General Matters

- 14.1 Each Claimant is entitled to cancel this Agreement in respect of his own obligations within 14 days of the date on which he, she or it enters into the Agreement. To exercise the right to cancel, you must inform us by post, fax, email, in person or by telephone at the contact details already provided of your decision to cancel this agreement by a clear statement. You may use the attached model cancellation form, but it is not obligatory. To meet the cancellation deadline, it is sufficient for you to send your communication concerning your exercise of the right to cancel before the cancellation period has expired. Whilst you may cancel this agreement within the 14 day period the Conditional Fee Agreement will remain in force unless you separately terminate that agreement.
- 14.2 By entering into this Litigation Management Agreement you warrant that:
- a. you have not formally instructed another firm of solicitors to bring a claim for you;
 - b. you do not act as a solicitor for, or work for a firm of solicitors who act for,

other claimants in this or similar litigation;

c. you are not a member of Defendants' legal team

d. you will not pass on any information about the case to the Defendant's legal team;

e. you are not a member of the board of a company within the Volkswagen Group or other Defendants, and are not closely related to anyone who is;

14.3 The Claimants accept that they are responsible for the accuracy of the information they supply to the Solicitors for the consequences of it being inaccurate. In particular, each Claimant is responsible for ensuring that a claim is made on their behalf in respect of the correct VW Group Vehicle and the correct number of VW Group Vehicles and for ensuring that the information supplied as to the purchase and sale prices is accurate. The Representatives rely on the accuracy of this information and have no duty to the Claimants to check the accuracy of the information supplied.

14.4 Claimants will each act in good faith in applying this Agreement in accordance with the common objective of managing and pursuing the Proceedings to obtain maximum possible damages overall and to share costs liabilities in accordance with the principles apparent from this Agreement.

14.5 The Claimants accept that in joining the Proceedings they are joining a group of Claimants who are collectively pursuing claims that are suitable to be run as group litigation. In doing so, they gain the advantages of economies of scale but no Claimant is being advised on whether they have alternative causes of action in respect of their purchase of the affected vehicles against the Defendants in the Proceedings other than those that are brought collectively through the Proceedings; nor are they being advised on the possibility of their being able to bring different claims against other Defendants.

- 14.6 The Claimants will respond promptly to communications from the Committee and the Representatives, and will provide all possible assistance to the Representatives in connection with the disclosure of documents and data and the drafting of witness statements, recognising that if they do not, they will damage their case and those of their fellow claimants. Because of the importance to all of the Claimants of cooperation, if in the Representatives' reasonable opinion any Claimant has persistently failed so unreasonably to comply with requests for cooperation that they are obstructing the efficient progress of the Proceedings (“**an Obstructive Claimant**”), the Representatives may ask the Committee to instruct them to take steps formally to discontinue the claim of any Obstructive Claimant, and all Claimants accept that if they become an Obstructive Claimant, the authority they have given to the Committee will extend to the Committee being empowered to require an Obstructive Claimant's Claim to be discontinued.
- 14.7 The Claimants will keep this Agreement and its terms confidential unless required to disclose it by the proper regulatory authorities or by the Court to disclose it in the Proceedings or for the purpose of determining a dispute pursuant to clause 14.7
- 14.8 This Agreement shall be governed by the laws of England and Wales and the Claimants agree to submit any dispute in connection with or arising from this Agreement to arbitration by a Queen's Counsel or retired High Court Judge to be nominated by the Committee and in the absence of such nomination to be nominated by the Chairman for the time being of the Chancery Bar Association. In the event that a dispute is referred to arbitration, the arbitrator's decision will be binding on all Claimants, so that no Claimant may subsequently challenge it.
- 14.9 All notices, documents, consents, approvals, or other communications (a '**Notice**') to be given hereunder shall be in writing and shall be transmitted by first class post, email or other electronic means as deemed appropriate by the Representatives in a form generating a record copy to the party being served at their usual place of residence or place of business. Any Notice sent by first class mail shall be deemed to have been duly served two working days after the date of posting. Any Notice sent by email or other electronic means shall be deemed to have been duly served at the

time of transmission (if transmitted before 4.30pm on a business day and if not so transmitted then at 9am on the next business day after which the transmission as made).

- 14.10 The Claimants each confirm their irrevocable agreement to the terms of this Agreement either digitally as communicated by the Representatives (in the case of those Claimants who have internet access) or by signing a hard copy (for those who do not have internet access) and it is intended to apply as between all of the Claimants who agree to this Agreement, with the intention that any Claimant who agrees to this Agreement will have the obligations set out in this Agreement to all other Claimants, irrespective of the date on which any Claimant agreed to this Agreement.

Notice of Right to Cancel

You have the right to cancel this contract insofar as it affects you within 14 days without giving any reasons.

The cancellation period will expire 14 days from the day of the conclusion of the contract.

To exercise the right to cancel you must inform us of your decision to cancel this contract by a clear statement (e.g. a letter sent by post, fax or email.) You may use the attached model cancellation form, but it is not obligatory.

To meet the cancellation deadline, it is sufficient for you to send your communication concerning your exercise of the right to cancel before the cancellation period has expired.

Effects of cancellation

If you cancel this contract, if you requested us to begin the performance of services during the cancellation period, you shall pay us an amount which is in proportion to what has been performed until you have communicated us your cancellation from this contract, in comparison with the full coverage of the contract.

Cancellation Form

To SPG Law (a trading name of Excello Law Limited of 5 Chancery Lane, London, WC2A 1LG

Email: clientcare@spglaw.co.uk

I hereby give notice that I cancel my contract for the supply of the following service: the entry into a litigation management agreement.

Name of consumer: _____

Address of consumer: _____

Signature of consumer: _____

Dated: _____