

Ghislaine Maxwell

PTB/MAXWELL/422387v1

By email: [REDACTED]

8 March 2011

Dear Ghislaine

Thank you for your instructions regarding the defamation claim.

The purpose of this letter is to set out the work we have been requested to do and to record the action that we propose to take, our estimate of what it will cost (where estimates can be provided) and our terms and conditions of business. This is an important letter as our terms of business govern our future legal relationship and are enclosed for your consideration and execution.

#### **Who will work on your case**

The Partner within our firm who has overall responsibility for managing your requirements and implementing the work is Philip Barden.

It may be in your interest for work to be delegated to fee earners who have lower charge out rates and if this happens we will advise you. The table below shows the rates for fee earners.

For example if we are required to give disclosure of documents those will be listed by a trainee or paralegal to reduce the cost to you.

#### **Our Charges**

We charge hourly rates and the current rates are:

Philip Barden, - £395 per hour

James Dunn - £315 per hour

Solicitor – £150 - £250 per hour

Paralegal - £100 per hour

The figures stated in this letter are excluding VAT. If applicable, I must add VAT to our charges at the appropriate rate

## Funding

We do require clients to fund all expenses paid on your behalf (disbursements) as and when they are incurred and ordinarily take money on account of costs, which is held in the client's account until paid. In litigation, these typically include Counsel's and (where appropriate) Expert's fees, travel, courier and other charges incurred on your behalf.

## Estimates

Any estimates of costs that we give are not fixed price quotations. Actual costs incurred could be lower or higher than these estimates but we do our best with the information provided to be as accurate as possible. We will update our estimates if it appears that they may be exceeded.

It is too early in the work we are required to do to give an estimate. This will be dealt with separately.

## Billing

If we are instructed on a one-off instruction to advise I will send you a note of our charges when the work is completed. Otherwise, I will aim to send you interim bills for our charges and expenses at the end of each month or quarter while the work is in progress, or alternatively when we consider appropriate with a view to all the circumstances of the case.

## Raising queries or concerns with us

We are confident that we will provide you with high quality legal advice and client care. However, if you have any queries or concerns about any aspect of the service you have received or about a bill, please take them up first with Philip Barden on [REDACTED] or [REDACTED] or the Senior Partner, Allan Hudson on [REDACTED] or [REDACTED] or by post to our office. We have a complaints procedure, a copy of which is available on request.

If you are not satisfied with our handling of your complaint you can ask the Legal Ombudsman to consider the complaint. The Legal Ombudsman can be contacted on 0300 555 0333 or can be contacted by email at [enquiries@legalombudsman.org.uk](mailto:enquiries@legalombudsman.org.uk).

Normally, you will need to bring a complaint to the Legal Ombudsman within six months of receiving a final written response from us about your complaint. You also have a right to object to a bill by applying to the court for an assessment of the bill under Part III of the Solicitors Act 1974. If all or part of a bill remains unpaid, we may be entitled to charge interest.

## Your Agreement

Whilst your continuing instructions will amount to an acceptance of the terms and conditions, please sign and return the enclosed copy of the letter so we may proceed with your work. If there is any conflict between this letter and the terms and conditions, then the terms and conditions will prevail.

**Anti Money Laundering Requirements**

As explained in our terms and conditions we are required to obtain certain documents from you. As such I would also be grateful if you could send to me copies of the following;

- Current passport/drivers licence; and
- One original utility bill dated in the last 3 months.

We look forward to building a successful and long-term relationship with you so we are your lawyers of choice.

Yours sincerely



Philip Barden  
Partner

Direct tel: 020 7880 4280  
Direct fax: 020 7880 4285  
e-mail: philip.barden@devonshires.co.uk

I have read and understood and accept the terms and conditions set out in this letter and the attached terms of business.

..... (signature)

Ghislaine Maxwell

..... (date)

## DEVONSHIRES' TERMS OF BUSINESS

*Our intention is to provide you with the highest quality of service, handling your instructions with professional skill, care and attention. Each client is important to this firm and we will ensure that your work is properly dealt with at all times. Our goal is to work in partnership with clients to build long term relationships.*

### 1. Introduction

The following terms of business apply to all work carried out by Devonshires for clients except as otherwise agreed.

We aim to offer our clients quality legal advice with a personal service at a fair cost. As a start, we hope it is helpful to you to set out in this statement the basis on which we will provide our professional services.

Certain sections of this document may not immediately be relevant. Our objective, however, is to build a long-term relationship with our clients and we take the view that it is appropriate to provide you at the outset with a description of the terms which apply to all our services.

### 2. Anti-Money Laundering requirements

#### a. Proof of Identity

The law now requires solicitors, as well as banks, building societies and others, to obtain satisfactory evidence of the identity of their clients. This is because solicitors who deal with money and property on behalf of their clients can be used by criminals wishing to launder money. In order to comply with the law on money laundering, we need to obtain evidence of your identity as soon as practicable. You are required to provide us with all requested documents to verify your identity and address, as set out on the attached sheet.

#### b. Confidentiality

Solicitors are under a professional and legal obligation to keep the affairs of clients confidential. This obligation, however, is subject to a statutory exception: recent legislation on money laundering and terrorist financing has placed solicitors under a legal duty in certain circumstances to disclose information to the authorities. Where a solicitor knows or suspects that a transaction on behalf of a client involves money laundering, the solicitor may be required to make a money laundering disclosure. If, while we are acting for you, it becomes necessary to make a money laundering disclosure, we may not be able to inform you that a disclosure has been made or of the reasons for it. Where the law permits us to do, we will tell you about any potential money laundering problem and explain what action we may need to take.

c. *Cash*

Our policy is not to accept cash from clients. If clients circumvent this policy by depositing cash direct with our bank we reserve the right to charge for any additional checks we deem necessary regarding the source of the funds.

### **3. Client Partner**

It is important that you are kept fully informed of progress in carrying out your instructions. In addition to any specific method of communication and reporting agreed with you, we operate a 'Client Partner' system to ensure that you have an appropriate Partner assigned who will maintain an overview of your affairs and have ultimate responsibility for ensuring that your requirements are met.

We are happy to establish a method of reporting which is specifically suited to your needs, *eg* quarterly or annual reports and / or face-to-face review meetings.

Our normal hours of opening at our offices are between 9.00am and 5.30pm on weekdays. Messages can be left on the answer phone outside those hours and appointments can be arranged at other times when this is essential.

We try hard to avoid changing the people who are handling your work but if this cannot be avoided, we will notify you promptly who will be handling your work (and why the change was necessary).

### **4. Instructions**

We shall not be responsible for any failure to advise or comment on any matter which falls outside the scope of your instructions.

Advice rendered by us is provided for the purpose of the instructions to which it relates and for your benefit. It may not be used or relied on for any other purpose or by any person other than you without our prior agreement.

### **5. Charges**

We will provide an estimate of the expected costs of undertaking each instruction prior to acceptance of the work. Otherwise our charges will either be as already agreed or calculated by reference to the current hourly rates of the fee earners concerned applicable at the time the work for you is done.

Hourly rates vary according to the level of seniority of each fee earner and the expertise required; your instructions will be carried out at a level appropriate to providing an efficient

and economic service. Hourly charging rates are reviewed annually and may be changed automatically at that time. We shall notify you of the current rates applicable to your work.

Time spent on your affairs will include, for example, meetings with you and perhaps others; any time spent travelling; considering, preparing and working on documents; correspondence; and making and receiving telephone calls and emails. Routine letters are charged as 6 minute units of time and we charge for the time spent on making and taking telephone calls in 6 minute units and considering incoming letters at units of 3 minutes per page.

If you require, we can tell you when fees reach a certain level and place a limit on the level of charges that we may incur without further reference to you. Any estimate is given only as a guide to assist you in budgeting and should not be regarded as a firm quotation unless otherwise agreed in writing.

For a variety of reasons some instructions are not completed. In these circumstances, and unless there is a separate written agreement, we will charge for the work done.

We undertake not to charge for service reviews, reporting procedures and the provision of reasonable management information.

## **6. Expenses and Disbursements**

In appointing us to act on your behalf, you are also authorising us, unless you instruct us to the contrary, to incur such expenses and payments to others as we consider necessary which you will be required to reimburse to us. We will consult you before incurring any significant expenses or disbursements.

Examples of expenses and disbursements which we may have to pay on your behalf include court fees, fees of counsel and other experts, search and registration fees and stamp duty. We will not mark up such disbursements when we recharge them to you, although where statute requires, we will add VAT.

We reserve the right to charge expenses of travel, accommodation and meals while travelling away from the office and also for postal, fax, telephone, special bank charges and photocopying costs incurred on your behalf.

## **7. Money On Account**

We reserve the right at any time to require you to pay us a reasonable sum on account of profit costs and / or disbursements to be incurred on your behalf. We may request further payments on account as the matter progresses. This is normal practice and helps to avoid delay in the progress of your case. When we put these payments towards your bill/s, we will send you a receipted bill. We will offset any such payments against your final bill, but it is important that you understand that your total charges and expenses may be greater than any payments on account.

## **8. Value Added Tax**

Any estimates or quotations given by us are net of VAT, unless otherwise stated, which will be charged as applicable on our fees and on those expenses and disbursements that are liable for VAT.

## **9. Accounts**

We reserve the right to submit invoices to you at regular intervals (usually monthly) or at appropriate stages in the conduct of the matter. Your Client Partner will discuss with you the most appropriate accounting procedures for any particular matter.

If you have any concerns about an invoice that has been submitted to you, please address those concerns, as soon as possible, to the individual fee earner involved or the Client Partner. If that person is not able to deal with your concerns satisfactorily, or you do not wish to speak to that person, please contact the Senior Partner. Depending on the type of work undertaken, you may also have a right to object to the Legal Complaints Service and/or apply to the Court for an assessment of the invoice under Part III of the Solicitors Act 1974.

## **10. Payment**

Payment is due within 1 month from the date of presentation of the invoice unless we have told you in writing that a different payment date will apply. If an account is not paid on the due date, we shall be entitled to charge interest on the amount outstanding (including any expenses and VAT) at 3% above the Royal Bank of Scotland base rate per year.

If an account is overdue for payment, we reserve the right to suspend work and to retain documents and papers belonging to you and your associates, irrespective of the matters to which they relate, until all sums outstanding to us are paid.

When we receive instructions from, or on behalf of, more than one person or company to deal with any particular matter, each person or company for whom we are acting will be separately responsible for payment of the full amount of our fees and disbursements.

## **11. Termination of Instructions**

You may terminate your instructions to us in writing at any time.

In some circumstances, you may consider we ought to stop acting for you, for example, if you cannot give clear or proper instructions on how we are to proceed, or if it is clear that you have lost confidence in how we are carrying out your work.

We may decide to stop acting for you only with good reason, for example, if you do not pay an interim bill, comply with our request for a payment on account or provide clear or proper instructions within a reasonable time.

If you or we decide that we will no longer act for you, you will remain liable for our charges and incurred expenses until the point of termination.

We will be entitled to keep all your papers and documents while there is money owing to us for our charges and expenses. If at any stage you do not wish us to continue doing work and/or incurring charges and expenses on your behalf, you must tell us this clearly in writing. We must give you reasonable notice that we will stop acting for you.

## **12. Money Held By Us**

Unless otherwise instructed money received from you, other than received in respect of our costs, will be placed in our General Client Account currently held with the NatWest Bank. You will be entitled to interest on the monies held calculated in accordance with the Solicitors' Accounts Rules.

We will require written instructions from you should you require your money to be held in a separately designated account and we reserve the right to levy a charge for the management of such an account. Accounts not available from the Royal Bank of Scotland Group will not normally be made available.

Money held by us (and accrued interest) may be taken by us in payment or part payment of our invoices, whether overdue or not. This extends to money held for your associates.

## **13. Litigation**

There are a number of specific points that you should be aware of when involved in litigation (including arbitration) whether as claimant or defendant and these relate to court proceedings in England and Wales:

- You are responsible for payment of our account whether or not the court orders another any other party to contribute towards your costs or for you to contribute towards anyone else's costs. Your responsibility includes our account for recovery of those costs from any other party and defending any claim for costs from anyone else.
- The court has wide-ranging discretion to determine which party(ies) should bear the cost of the proceedings and in what proportion. This is usually exercised to order an unsuccessful litigant to pay all or a proportion of the successful litigant's costs, but the court can order the successful litigant to pay costs in some cases. The court can order you to make immediate payment of costs at any stage in the proceedings. We will discuss with you whether your own costs may be covered by insurance or may be paid by someone else such as an employer or trade union.
- If you have legal costs insurance, please let us know. We will liaise with your insurer who must appoint us and confirm responsibility for our fees. However, you still maintain primary responsibility for those fees.

- You may be able to obtain insurance for any liability for another party's costs – if you require further information, please discuss this with us.
- In any action you will be required to disclose to the other parties all relevant documents in which information of any description is recorded, including correspondence, notes, memoranda, computer databases, videos and audio tapes, which are or have been in your control and which relate in any way to the issues in the case. This duty covers records which may be prejudicial to your case but which, subject to certain 'privileged' exceptions, you are nevertheless obliged to reveal. The obligation of disclosure is ongoing until the action is over and therefore all such records must be kept in safekeeping. It is your responsibility to preserve and provide to us all evidence in where ever available in original form.
- We will advise on the potential outcomes of any legal case and whether or not it will justify the expense or risk involved and if relevant, the risk of having to pay an opponents costs.

#### **14. Funding Litigation**

Your Client Partner will discuss with you at the outset how any litigation matter you have may be funded. There are a variety of funding methods available including after the event insurance and conditional fee agreements.

#### **15. Confidentiality and Conflicts**

All information regarding your business and affairs will be regarded as, and kept, confidential at all times unless you instruct us to disclose information or we are compelled to disclose it by law, for example, where money laundering is suspected or other fraud or crime is involved.

An actual or potential conflict between your interest and the interest of another client of the firm may arise during the course of a matter. If this situation arises during our dealings with you, we will discuss the position with you and determine the appropriate course of action. In order to protect your interests, our professional rules may require us to stop acting for you on that matter.

#### **16. File Storage**

After completing the work, we are entitled to keep all your papers and documents while there is any money owing to us for our charges and/or expenses.

We will keep our file of papers (except for any of your papers which you ask to be returned to you) for no more than 10 years. We keep the papers on the understanding that we have the authority to destroy them 10 years after the date of the final bill we send you for this matter. We will not destroy documents you ask us to deposit in safe custody.

If we retrieve papers or documents from storage in relation to continuing or new instructions to act in connection with your affairs, we will not normally charge for such retrieval. However, we may make a charge based on time spent producing stored papers or documents to you or another at your request. We may also charge for reading, correspondence or other work necessary to comply with the instructions given by you or on your behalf.

### **17. Commissions**

We will account to you for any commission which we are entitled to receive on share transactions, investments and insurances effected by us on your behalf.

### **18. Complaints**

We hope that you will be pleased with the work which we carry out for you. However in the event that you are unsatisfied with any element of our work you have the right to make a complaint. We would ask you to initially address those concerns, as soon as possible, to the individual fee earner involved or the Client Partner. If that person is not able to deal with your complaint satisfactorily, or you do not wish to speak to that person, please contact the Senior Partner.

We have a written complaints procedure in place for handling any complaints which arise and this can be provided to you on request.

In the event that a complaint is made, we will inform you in writing as to how the complaint will be handled and a timescale will be given as to when you can expect to receive our initial and/or substantive response.

### **19. Non-discrimination**

Devonshires is committed to eliminating discrimination and promoting equality and diversity in its own policies, practices and procedures and in those areas in which we have influence. The firm treats all equally regardless of their gender, age, marital status, race, racial group, colour, ethnic or national origin, nationality, religion, sexual orientation or disability. The firm is committed to creating a working environment which is free from discrimination and harassment. The firm will treat seriously all complaints of discrimination or harassment.

### **20. Regulation**

We are regulated by the Solicitors Regulation Authority in the provision of legal services. The firm is not regulated to provide investment business advice.

### **21. Professional Indemnity Insurance**

Subject to the limitation upon the amount of our liability as set out below, we shall have no liability to you for costs, expenses or losses arising from claims, demands, actions or

proceedings to the extent that the same are not recoverable under the firm's Professional Indemnity policies.

Terms and conditions of the firm's Professional Indemnity policies are as set out in the policy documents and are not capable of being varied by any other condition contained within this agreement, nor by any subsequent written or verbal communication.

Our liability to you in respect of breach of contract or breach of duty or fault or negligence or otherwise whatsoever arising out of or in connection with each and every severable instruction we are instructed on shall be limited to £25 million to cover claims of any sort whatsoever (including interest and costs) arising out of or in connection with this engagement. This provision shall have no application to any liability in respect of death or personal injury arising from our negligence, or to liability arising as a result of fraud on our part.

The liability of the firm shall in no circumstances exceed the Limit of Indemnity specified even where the firm has contracts for professional indemnity insurance in excess of this sum.

## **22. Email Communications**

If you have the necessary facilities we will sometimes use e-mail for communications with you unless you tell us not to. There are some specific points of which you should be aware:

- Communications over the Internet, including e-mails, are not completely secure. You will have to guide us as to what should not be sent over the Internet.
- Viruses or other harmful devices may be spread over the Internet. We take reasonable precautions to prevent these problems by use of a fire wall and virus checking software. If we are to communicate by e-mail, it is on the basis that you will do likewise.

## **23. All communications**

It is important that at all times you provide us with up to date contact details so that we can keep in contact with you. If we need to provide you with any notices and have difficulty in contacting you, we can use any previously successful method of communication with you. You will be deemed to have received that communication if sent by: post – 2 working days after posting; facsimile – immediately after transmission; and e-mail – immediately after transmission.

## **24. Associates**

These terms shall apply to you and your associates which, for the purpose of these same terms, include all companies which you control or, if you are a company forming part of the group, all companies in that group.

## **25. Jurisdiction**

The High Court of England and Wales shall have exclusive jurisdiction to settle any dispute which may arise between us. To this end, you and we irrevocably agree to submit to the jurisdiction of the High Court of England and Wales and irrevocably waive any objection to any action or proceedings being brought in that court or any claim that any such action or proceeding has been brought in any inconvenient forum. Judgement in any suit, action or proceeding brought in the High Court of England and Wales shall be conclusive and binding and may be enforced in the courts of any other jurisdiction.

## **Acceptance**

Your continuing instructions will amount to your acceptance of these terms but we would be grateful if you would acknowledge receipt of this agreement by signing and returning the enclosed copy letter.

Unless otherwise agreed in writing, these terms of business will apply to any future instructions you give us.

We have read and understood and agree to the Terms of Business as set out above.