

TERMS OF ENGAGEMENT (TOE) - FRONT

Cheval Legal is a Private Limited Company (Company No: 12093338) and is authorised and regulated by the Solicitors Regulation Authority (SRA number: 667127). This document sets out the TOE for the appointment of Cheval Legal to act for You.

1. Definitions and Interpretation

- a. "Agreement" means the contractual relationship between You and Us which You enter into by signing and returning the Agreement to Proceed.
- b. "Agreement to Proceed" means the Damages Based Agreement which governs Our relationship with You, alongside these (TOE).
- c. "Adverse Costs" means the portion of the Company's fees and expenses that it has incurred in relation to the Proceedings that are ordered by the Court or agreed between the parties to be paid by You to the Company or its Affiliates.
- d. "Affiliate" means in relation to a specified person, any person who controls, or is controlled by, or who is under common control with, or who is under common influence, or has a close connection with, that specified person.
- e. "ATE Insurance" means the contract of After the Event insurance between You and the ATE Insurer to cover costs You may become liable for in respect of the Claim, including Adverse Costs and certain Expenses.
- f. "ATE Insurer" means the provider of After the Event insurance approved by Us and the Investor.
- g. "Cancellation Period" means 14 days after the date that We receive Your signed Agreement during which You can cancel this Agreement free of charge.
- h. "Case Originator" means any source from which We may acquire a Claim or potential Claim, including but not limited to, Claims Management Companies (CMCs).
- i. "Charges" means the costs that would apply if We were to represent You under a time-based agreement, applying Our respective hourly billing rates. We use Our Charges to calculate and seek recovery of Our legal fees from the Company by way of Recovered Costs.
- j. "Cheval Legal" means Cheval Legal Limited. Any reference to 'We', 'Us' or 'Our' in this Agreement shall be taken to be a reference to Cheval Legal. We are also an ancillary insurance intermediary which means we can arrange insurance contracts for our clients. We act on your behalf, not on behalf of the insurance company. We are not authorised by the Financial Conduct Authority. However, we are included on the register maintained by the Financial Conduct Authority so that we can carry on insurance distribution activity. The register can be accessed via the Financial Conduct Authority website at www.fca.org.uk/firms/financial-services-register.
- k. "Claim", sometimes referred to as 'Plevin PPI Claim', means any Claim or potential Claim against the Company relating to the failure to disclose commission charges in connection with Your PPI policy(ies) earned by the Company, or other sums paid by the Company to third parties.
- l. "Company" means the business for example the Lender, Credit Provider or Broker, who failed to disclose commission charges earned by the Company, or other sums paid to third parties, including any associates and/or their predecessors. This includes any representative or affiliate of the Company.
- m. "Compensation" means any sums offered, paid or given in respect of a settlement, goodwill gesture, policy refund or rebate or any other payment associated with the Claim including any interest payments and associated charges. For the avoidance of doubt Compensation also includes any sums used to reduce any outstanding balances/debt.
- n. "Counsel" means a solicitor, barrister or other legal adviser that conducts legal activity for Us on Your behalf during the Claim.
- o. "Counsel Fees" means charges made by Counsel engaged by Us in respect of the Claim. Counsel Fees are utilised for the purpose of calculating and seeking recovery of the Counsel's legal fees from the Company by way of Recovered Costs.
- p. "Court" means a court in the HM Courts and Tribunals Service.
- q. "Expenses" sometimes referred to as 'disbursements' means a cost which We incur when preparing Your Claim, that is not recoverable from the Company. These may include expert's fees, Court fees, administration charges, travel costs and/or courier charges. This is not an exhaustive list.
- r. "Fee" means the amount You will have to pay to Cheval Legal for the Legal Services, as detailed in the Agreement and Clause 6 of these (TOE).
- s. "FSCS" means Financial Services Compensation Scheme.
- t. "Instruction" means:
- You authorising Us to undertake the Legal Services against the Company by signing and returning an Agreement. This includes where You provide Your signature or complete a document electronically; and
 - You providing authority for Us to take an action in regard to Your Claim such as issuing a Claim at Court against the Company, or accepting an offer of Compensation made by the Company during negotiations. This includes where You provide Instruction in writing or verbally.
- u. "Investment Agreement" means the agreement entered into between Us and the Investor under which the Investor has agreed to pay certain Expenses and other amounts incurred by Us in connection with the Proceedings.
- v. "Investor" means Spectra Legal Finance 3 DAC or any of its Affiliates.
- w. "Investor Fee" means the fee payable by Us under the terms of the Investment Agreement in an amount equal to 5% of the amount of Compensation and Recovered Costs (excluding amounts recovered in respect of Expenses).
- x. "Legal Services" means the work We undertake to prepare, submit and negotiate Your Claim to/with the Company, as broadly outlined in the Agreement.
- y. "Letter of Authority" means the document that may be sent to the Company with any Data Subject Access Request (DSAR), Pre-Submission Information request (PIR) or any other similar information request that evidences Your authority for Cheval Legal to act on Your behalf.
- z. "Litigation Funding Investment" means amounts invested by the Investor in respect of Your Claim through the funding of certain Expenses and the Court issues fees, hearing fees and any other Court related fees.
- aa. "IP" means an Insolvency Practitioner which is a licensed professional who is able to act in matters of both company and individual insolvency.
- bb. "IVA" means an Individual Voluntary Arrangement which is a formal and

legally binding agreement between You and Your creditors to repay debt over a period of time.

cc. "Plevin" means the Supreme Court judgment in Plevin v Paragon Personal Finance Ltd [2014] UKSC 61.

dd. "Proceedings" means issuing a Claim or potential Claim at Court against the Company and any subsequent work we undertake in respect of that Claim.

ee. "Recoverable Costs" means costs We incur when undertaking the Legal Services on Your behalf that may be reimbursed to Us by the Company.

ff. "Recovered Costs" means all amounts paid or payable to You or Us, or any person on Your/Our behalf, by the Company (or any related party) on account of Our Charges, Counsel Fees and/or Expenses. Or, if a Settlement is agreed that does not allocate for or consider the above, an amount equal to an order for Recovered Costs that a Court might reasonably have been expected to make in the Claim. This amount will be determined by Counsel, acting reasonably, or by an experienced costs lawyer agreed between Us and the Company.

gg. "Settlement" means an agreement between You and the Company, or any of their Affiliates, in settlement of the Claim, whether in the Proceedings or otherwise. This shall include any waiver or compromise of the Proceedings against the Company.

hh. "Successful Claim" means Your Claim is finally decided in Your favour, whether by a Court decision or Settlement or in any way that You obtain benefit from pursuing the Claim. "Finally" means that the Company and/or any Affiliate is not allowed to appeal against the Court decision or Settlement; has not appealed in time; or has lost any appeal.

ii. "Termination" means the premature ending of the Agreement by Your or Us after the Cancellation Period and prior to the conclusion of the Claim.

jj. "You/Your" means the Account/Policy Holder(s) whose details are set out in the Agreement and who have Instructed Us to act on their behalf and includes an Executor(s) of a Deceased Person's Estate.

kk. Unless the context otherwise requires, words in the singular include the plural and, in the plural, include the singular.

2. Legal Services

- a. We will not process Your Claim until We receive Your Instruction.
- b. Upon receiving Your Instruction We will review all relevant information from You, the Company and/or any third party to identify whether Your Claim has a reasonable prospect of success.
- c. Should We identify that further information and/or documentation is required to substantiate Your Claim We will endeavour to obtain this from the Company or other relevant third party(ies) by way of a DSAR, PIR or other such request.
- d. Where We believe there are merits for a Plevin PPI Claim, We will pursue the matter with the Company on Your behalf by issuing a Letter of Claim or other such communication to the Company.
- e. Where necessary We may issue a Claim at Court against the Company on Your behalf to progress Your Claim. By signing the Agreement You provide Instruction for Us to issue a Claim at Court on Your behalf against the Company, should this be necessary to progress Your Claim.
- f. We will use reasonable endeavours to obtain Compensation for the Claim pursued and will liaise and negotiate with the Company on Your behalf, as necessary to progress Your Claim.
- g. Where a Court hearing is required to progress Your Claim, We will arrange for You to be represented at any such hearing.
- h. We will keep You updated throughout Your Claim and promptly notify You of the outcome of the Claim.
- i. Where Your Claim is referred to Us by a third party they may assist Us in the provision of the Legal Services by providing ongoing administrative support.
- j. We may outsource some elements of the Legal Services to a specialist supervised company(ies). You agree for Us to outsource elements of Your Claim.
- k. Where reasonable attempts are made to contact you to obtain instructions and/or settle a claim on your behalf without success, you agree that Cheval can negotiate and/or settle your claim on best terms

3. Our Responsibilities and Liabilities

- a. We will:
- always act in Your best interests subject to Our duty to the Court and/or Our other professional duties, including legal and regulatory obligations;
 - advise You of any legal issues, circumstances and reasonably foreseeable risks relevant to Your Claim;
 - give You Our best advice about whether to accept any offer of Compensation;
 - give You the best information possible about the likely costs of Your Claim; and
 - provide You with a reasonable standard of service, in line with Your Agreement with Us.
- b. We will use reasonable endeavours to keep safe any information or documents that You, the Company or any third party send to Us. We will not be responsible for any loss to You or any third party arising out of the loss of documents or information including in transit either to or from Us. Any additional protection that You require for lost documentation or information (for example photocopies and/or a Recorded Delivery service by Royal Mail) will be at Your discretion and Your expense.
- c. We are required by law to verify Your identity(ies) and address(es). By giving Your Instruction You acknowledge that You are giving consent to Us to undertake an electronic check to verify Your identity(ies) and address(es). This process involves searches with credit reference, fraud prevention agencies and the electoral register. The agencies will record the details of the search but the electronic check will have no adverse effect on Your credit rating. Subject to these checks, We may require You to supply certain documents and/or We may refuse, at Our discretion, to act for You without giving reason.
- d. We will not be liable to You whether in contract or tort for indirect losses which happen as a side effect of the main loss or damage and which are not foreseeable by You and by Us, such as (but not limited to) loss of profits, loss of opportunity, loss of benefits or tax demands.

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e. Our total liability to You in respect of all other losses arising under or in connection with Your Agreement with Us, whether in contract, tort (including negligence), breach of statutory duty, or otherwise, shall in no circumstances exceed the amount of any Compensation to which You are entitled for the Claim in connection to which We are liable unless those losses were foreseeable by both parties when the Agreement was signed. We consider that this limit is reasonable and fair in view of the type of work that We are undertaking. If the limit does cause You any concern, please contact Us so that We can discuss Your concerns.

f. Nothing in the Agreement shall limit or exclude Cheval Legal's liability for:

- death or personal injury caused by Our negligence, or the negligence of Our employees, agents or subcontractors;
- fraud or fraudulent misrepresentation; or
- breach of the terms implied by sections 49 to 52 of the Consumer Rights Act 2015.

4. Your Responsibilities

a. You acknowledge that You could pursue Your Claim Yourself with the assistance of any legal expenses insurance that You may have or, where applicable, through a Compensation Scheme, such as the FSCS.

b. By entering into this Agreement, You agree to:-

- provide Us with all information and documents which are relevant to the Claim, including but not limited to letters, documents and e-mails. You agree to provide Instruction for Us to request any information required to substantiate Your Claim from the Company, by way of a DSAR or by any other method;
- co-operate generally with Us in the conduct of the Claim, including by dealing promptly with requests We make for authority, information, documents, Instruction or further requests;
- tell Us promptly if any information that You have previously given to Us is no longer true or accurate;
- inform Us promptly of any relevant matters affecting the Claim, such as direct contact from the Company, and consult with Us before making any contact with or having any discussion or correspondence with the Company concerning any aspect of the Claim;
- not abandon or discontinue the Claim or any part of the Claim against Our advice;
- not settle Your Claim without Our consent;
- go to a Court hearing if required and We request;
- give Us the exclusive right to deal with the Claim and to not enter into any new agreement, orally or in writing, with any other person(s) in respect of the Claim unless We otherwise agree to this in writing; and
- not ask Us to work in any way that is improper or unreasonable or cause or contribute to a conflict of interest arising that would prevent Us from continuing to act in the Claim.

5. Compensation

a. You acknowledge that any estimate of Compensation given to You is an estimate only. The success of any Claim depends on Your individual circumstances.

b. Your Compensation may be applied as part of Your bankruptcy estate, insolvency asset, or other debt arrangement and Your Compensation may not be paid directly to You.

c. Where interest is included by the Company as part of the Compensation it may be taxable depending on Your personal tax status and You understand that You may be required to disclose this payment to HMRC. We will not give any advice to You in relation to tax.

d. In entering into this Agreement with Us, You have agreed for all Compensation and Recoverable Costs to be paid directly to Us. All funds will be held in Our Client Account in accordance with the SRA Account Rules. A copy of Our policy on Monies held in Our Client Account, is available on request.

6. Our Fee

a. If We undertake the Legal Services and are not successful in obtaining Compensation then You owe Us nothing.

b. If We are successful in obtaining a reasonable offer or payment of Compensation then You owe Us:

- 24% including VAT (as applicable) of any Compensation for any Claim settled prior to a Claim being issued to Court against the Company; or
- 50% including VAT (as applicable) of any Compensation for any Claim settled after a Claim being issued to Court against the Company.

c. For the avoidance of doubt, if You receive a reasonable offer of Compensation from the Company and You reject that reasonable offer or refuse to sign any Acceptance Form or Order from the Company, the Fee including VAT (as applicable) and any Expenses incurred would still be payable by You to Us even though You would not receive any Compensation Yourself as You have rejected that reasonable offer.

d. You have authorised the Company to remit the Compensation and Recoverable Costs directly to Us and agree that We shall deduct the Fee including VAT (as applicable) and any Expenses incurred before paying the balance of the Compensation to You. Before deducting Our Fee including VAT (as applicable) or any Expenses incurred from any Compensation received, We will send an invoice to You which details the amount(s) due to Us and the balance of Compensation due to You.

e. Payment of Fee including VAT (as applicable) and any Expenses incurred become due at the point that either We or You are informed of an offer of Compensation and payable from the date We or You receive Your Compensation. If the Company offers or pays Compensation to You directly, You agree to notify Us immediately (and within seven days at the latest) and to provide the details We need to calculate the Fee.

f. We will, as soon as is reasonably practicable following the settlement of a Claim and the payment of Compensation and Recoverable Costs by the Company to Us, pay You the balance of the Compensation, after deducting the Fee including VAT (as applicable) and any Expenses incurred.

For the avoidance of doubt where You have more than one successful Claim against one or more Companies, We may deduct from any Compensation paid the Fee including VAT (as applicable) and Expenses payable in respect of each of the Claims from the Compensation received for any one of those Claims.

g. Compensation may be used by a Company to reduce any outstanding debt that You owe a Company, and You understand that Our Fee including VAT (as applicable) will be payable based on the total amount of calculated Compensation even if the Company does not pay the whole sum of the Compensation to You.

h. If Compensation is paid directly by the Company to an Insolvency Practitioner or the Official Receiver, and You do not receive any Compensation, You will not be liable for Our Fee or VAT.

i. If You fail to pay the Fee including VAT (as applicable) due and payable in accordance with these Terms, We reserve the right to cancel all other active Claims.

j. We reserve the right to charge for costs and Expenses incurred in recovering unpaid Fees including VAT (as applicable) and Expenses where an offer or payment of Compensation is made from a Company to You.

k. Our Agreement shall continue to operate until all Claims where a Fee including VAT (as applicable) and any Expenses incurred are payable have been settled.

7. Cancellation and Assignment

a. You may cancel Your Agreement with Us at any time during the Cancellation Period by using the Cancellation Form available www.chevallegal.co.uk. Alternatively, You may request cancellation by contacting Us directly in writing, by telephone ((0)208 142 4690) or via email (enquiries@chevallegal.co.uk).

b. By giving Your Instruction to Cheval Legal, You expressly consent to Cheval Legal commencing the Legal Services immediately and prior to the expiration of the Cancellation Period.

c. If You cancel Your Claim within the Cancellation Period You will owe Cheval Legal nothing unless You have received a reasonable offer of Compensation within this period. In this case, Cheval Legal shall be entitled to charge You a cancellation charge equal to the Fee including VAT (as applicable) that would be payable under clause 6 above.

d. If You cancel Your Agreement with Us at any time after the Cancellation Period You will be liable to pay:

- any Expenses incurred until the point of Cancellation immediately on Cancellation; and
- Our Fee if You proceed with Your Claim, either Yourself or through an alternate Legal Services provider and Your Claim is successful and Compensation is recovered.

e. If You cancel Your Agreement with Us at any time after We have obtained a reasonable offer of Compensation for You from the Company, then You will be liable to pay Our Fee including VAT (as applicable) as outlined under Clause 6 above and any Expenses We have incurred on Your behalf.

f. We may at Our sole discretion cancel this Agreement at any time, but We must act reasonably in taking such a decision. We will promptly notify You if We decide to Cancel this Agreement.

g. We reserve the right to assign this Agreement and all rights under it and to subcontract to others all or any of Our obligations under it. The Agreement is personal to You and is not assignable by You except to Your personal representatives.

8. Your Personal Data

a. We take the privacy of Your personal information seriously. We will only use the personal information You provide to Us as outlined both in this clause 8 and in Our Privacy Policy which can be viewed at www.chevallegal.co.uk/privacy-policy. We ask that You read Our Privacy Policy carefully and, if required, a hard copy is available upon request.

b. During the provision of the Legal Services Your personal information will be used to provide the Legal Services including sharing with third party organisations for the purposes of undertaking the Legal Services.

c. We may also use Your personal data to tell You about similar products or services relating to financial claims, by email, SMS (text message), post and/or telephone, but You can opt out of receiving these, or a specific method of communication, at any time by contacting Us.

d. We will not disclose Your personal data to a third party without Your consent unless a lawful or legitimate reason applies.

e. After completing the Legal Services We will be entitled to continue to hold Your personal information until Your Claim is concluded and We receive full payment of money owed to Us for Fees including VAT (as applicable), or Expenses incurred. We will then keep Your personal information for up to seven years in electronic form after which time We will destroy it.

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9. Complaints, Governing Law and Professional Indemnity Insurance

a. You can make a complaint about Our service via Our internal complaints procedure by email: complaints@chevallegal.co.uk by telephone on (0)208 142 4690 or by post, Cheval Legal, Hamilton House, Church Street, Altrincham, WA14 4DR. You can also find a copy of Our complaints procedure at www.chevallegal.co.uk .

b. Should You remain unhappy with Cheval Legal's service, You may refer Your complaint, within six months of the date of Our final response, to the Legal Ombudsman Service, by email: enquiries@legalombudsman.org.uk, by phone on 0300 555 0333 or post to Legal Ombudsman, PO Box 6806, Wolverhampton, WV1 9WJ. The Legal Ombudsman can investigate complaints up to six years from the date of the problem happening or within three years of when You found out about the problem.

c. Each party irrevocably agrees that any proceedings relating to any dispute or claim (including non-contractual disputes or claims) arising out of or in connection with the Agreement or its subject matter or formation instituted against You by Cheval Legal shall be brought in the appropriate Court of Your country of residence, which will either be the Courts of England and Wales, Scotland or Northern Ireland and shall be governed and construed by the applicable law for the appropriate jurisdiction. Any proceedings instituted against Cheval Legal by You shall be governed by and construed in accordance with English law and the parties irrevocably submit to the jurisdiction of the Courts of England and Wales. We maintain professional indemnity insurance in accordance with the obligations set by the Solicitors Regulation Authority. Further details of this Insurance is available on request to Us.