



## **RISK MODELLING AND FINANCIAL PRODUCT VALUATION**

### **GENERAL TERMS AND CONDITIONS OF ENGAGEMENT**

#### **1. Introduction**

- 1.1 The purpose of this document is to state the terms and conditions that will generally apply to the provision by us of the Risk Modelling and Financial Product Valuation service. A copy will be provided to you with our Engagement Letter.
- 1.2 We may need to amend these terms and conditions in some circumstances before we start to provide the service and if so we will advise you.
- 1.3 You should carefully read through these terms and conditions in conjunction with the Engagement Letter. If you have any questions concerning them please ask us. You should keep a copy with the Engagement Letter for your records.

#### **2. The Risk Modelling and Financial Product Valuation service**

- 2.1 Congruent Legal Limited is a professional services company. The Risk Modelling and Financial Product Valuation service is a professional service that is available to business clients operating in the United Kingdom (or elsewhere if you and we have agreed that we have, or it is practicable for us to acquire, the necessary understanding to assist in another jurisdiction).
- 2.2 Our expertise is in financial structuring, risk modelling and financial products and services. Our financial products and services expertise includes banking, investments, insurance, pensions and financial derivatives, their suitability to meet business needs and the regulatory requirements applying to recommendations for the products and arranging of the products, as well as valuation of the products. We will only provide a service where we have the necessary expertise and competence to do so and we will advise you immediately after receiving your instructions if we do not have the necessary expertise and competence.

### **3. Information and Access**

3.1 In order that we can provide the Risk Modelling and Financial Product Valuation service you will be responsible for providing us with the following on request at any time:

3.1.1 the information and explanations that we require (however we will be prepared to explain why we need any particular information or explanations and, if appropriate, work with you to identify how best to produce the information and explanations)

3.1.2 access to all the appropriate officers, employees, agents or advisers of you or your business who have information, or can provide explanations that we require

### **4. Investment Advice**

4.1 Providing certain types of advice about investments is a “regulated activity” in terms of the Financial Services and Markets Act 2000. However, generic advice about investments, advice on strategic investment policies, advice on the suitability in principle of using options, warrants, futures, contracts for differences (so long as the advice does not relate to any particular derivative contract), and asset liability studies are usually not regulated activities and nor is financial product valuation.

4.2 The Risk Modelling and Financial Product Valuation service is not designed to provide any “regulated activity”. However, Congruent Legal Limited is regulated by the Institute and Faculty of Actuaries in respect of a range of investment business activities, and accordingly is included in the Financial Conduct Authority register for exempt professional firms and may be able to provide a “regulated activity” under another of its services.

### **5. Consumer clients**

5.1 We only offer the Risk Modelling and Financial Product Valuation service to a business client and not to an individual acting for purposes outside any business they may carry on.

### **6. Charges and Expenses**

6.1 The work to provide the Risk Modelling and Financial Product Valuation service to you will be assessed by Congruent Legal Limited and assigned to one or more staff according to the level of skill and experience necessary.

Work will be delegated where it can be, subject to ensuring that the required quality of work is achieved. Work will be subject to checking and to formal peer review where appropriate.

- 6.2 Time spent by each member of staff engaged will be recorded as it takes place in an electronic “daily recording system” with a description of the work being undertaken and the length of time taken for each working session. The recording system is subject to internal audit so that Congruent Legal Limited can be satisfied that the records are correct. Travel and subsistence expenses (if these are necessarily incurred in making visits) will be recorded similarly. Business mileage is charged at 45p per mile - this rate is reviewed each 1 January. If it is necessary for us to incur other expenses we will seek your specific agreement to them.
- 6.3 Congruent Legal Limited will provide a list of the staff engaged on the work and their hourly charge-out rates, which depend on seniority. Rates are reviewed each 1 January.
- 6.4 Congruent Legal Limited will provide an estimate of the amount of work and the charges and expenses and update that from time to time or whenever agreed limits are reached.
- 6.5 If, instead of the arrangements stated above, you wish costs to be fixed in advance we will prepare a Statement of Work (“SoW”) for that part of the work for which we are willing to quote a fixed cost, for your approval. The SoW may break the work into stages and the defined stage payments will be invoiced as each stage is completed. Costs and expenses not covered by the SoW will be determined in the usual way stated above.

## **7. Invoices, Interest on Late Payment, and Recovery of Amounts Owing**

- 7.1 Invoices will be issued at the end of each calendar month for charges and expenses incurred in that month (except that travel and subsistence expenses and other agreed expenses not yet brought into account may be included in a later invoice) and at other times by agreement.
- 7.2 If any invoice is not paid within 30 days interest may be added at a rate not exceeding 3% per annum above the base rate of Barclays Bank plc applicable from time to time.
- 7.3 We need to ensure that we hold up-to-date records at all times of our clients and, in the case of a business, that may include address and contact information of the business and of the principals.

## **8. Value Added Tax**

- 8.1 United Kingdom Value Added Tax (“VAT”) will be added to invoices unless proof has been provided to us that United Kingdom VAT is not payable.
- 8.2 If we provide a service on which you will be liable to European Union VAT (other than United Kingdom VAT) you must provide us with your VAT registration details so that we can report the sale on an EC Sales List in order to comply with our VAT obligations.

## **9. Communicating With Us and Electronic Mail**

- 9.1 You are able to contact us by telephone on 020 3143 3150 - however for substantive matters we suggest that you use writing or email. Send letters and paper documents by post, or by hand or courier, to Congruent Legal Limited, 141-142 Fenchurch Street, London, EC3M 6BL (you may add a contact name if you wish but the name Congruent Legal Limited must be included). Email should be sent to the following email address and can include attachments:

[team@mycongruent.com](mailto:team@mycongruent.com)

- 9.2 Our preference is to communicate by email because it enables matters to progress more quickly. However we are aware that some clients are concerned at the risk of emails being an insecure method of transferring information and others do not have systems in place which ensure that others in their organisation will not be able to see their emails. Please advise us if you do not wish to correspond by email.
- 9.3 We are able to offer confidential secure electronic transfer of documents if required.
- 9.4 If you need to serve legal notice on us this should be in writing addressed to The Directors, Congruent Legal Limited at our registered office address of 141-142 Fenchurch Street, London, EC3M 6BL.

## **10. Confidentiality and Data Protection**

- 10.1 As a professional services company Congruent Legal Limited treats all information that it receives as confidential. Congruent Legal Limited complies with all privacy and data protection and other laws, rules and regulations, including without limitation the Data Protection Act 1998, as amended from time to time.
- 10.2 Congruent Legal Limited confirms that when it is processing information it will act on your reasonable instructions allowing for our reasonable needs for appropriate backup, systems administration and quality control purposes.

## **11. Insurance and Liability**

- 11.1 If you wish to make a claim relating to or in connection with our services, the claim can only be brought against Congruent Legal Limited and not against the individual officers or employees. We believe this is reasonable as it corresponds to modern business practice and that Congruent Legal Limited has in place professional indemnity insurance.
- 11.2 For these purposes “claim” means any claim whether arising out of the provision by us of the Risk Modelling and Financial Product Valuation service or otherwise, and whether such claim is in contract, tort, breach of trust or on any other basis.
- 11.3 We shall only be liable for any loss or damage suffered by you which is a reasonably foreseeable consequence of a breach of our obligations to you in relation to the provision of the Risk Modelling and Financial Product Valuation service. In the event that any loss or damage suffered by you relates to your business activities then we exclude all liability and in particular we exclude all liability for loss of profits or other economic loss arising of a breach of this contract.
- 11.4 We do not exclude or limit liability for our negligence or negligent omission which causes personal injury or death.

## **12. Termination**

- 12.1 You may terminate the provision by us of the Risk Modelling and Financial Product Valuation service at any time by giving written notice by recorded delivery addressed to The Directors, Congruent Legal Limited, 141-142 Fenchurch Street, London, EC3M 6BL or by email instruction addressed to [directors@mycongruent.com](mailto:directors@mycongruent.com).
- 12.2 You will be liable for all charges incurred until we stop work and you agree for this purpose that it may be up to one working day after delivery of your written notice or email instruction for the instruction to reach the required person or persons and they have been able to close down the records of their work in good order.
- 12.3 We will only unilaterally stop providing the Risk Modelling and Financial Product Valuation service to you if we have a good reason to do so, for example if you do not pay one of our invoices, or you do not provide information that we require, or if you provide instructions which are unreasonable or would require us to breach a professional rule or involve the commission of a criminal offence. If, in accordance with these provisions, we decide to stop providing the Risk Modelling and Financial Product Valuation service to you we will give you reasonable notice but the length of the notice will depend on the circumstances.

### **13. Contracts (Rights of Third Parties) Act 1999**

13.1 For the purposes of the Contracts (Rights of Third Parties) Act 1999 the contract of which these general terms and conditions is a part is not intended to, and does not, give any person who is not a party to it any right to enforce any of its provisions.

### **14. Complaints and Redress**

14.1 If you would like to talk to us about how we could improve our service to you, or if you are unhappy with the service you are receiving, please let us know by emailing or writing to us. An email addressed as follows will be seen by a Director : [directors@mycongruent.com](mailto:directors@mycongruent.com).

14.2 We will carefully consider any complaint as soon as we receive it and do all we can to explain the position to you.

14.3 We maintain professional indemnity insurance. However, our business (with respect to this service) is not covered by, and our clients do not have access to, any compensation scheme in the event of our being unable to meet claims against us.

### **15. Amendments to the Contract**

15.1 Where these general terms and conditions form part of a contract between us we may amend the terms of the contract where :

15.1.1 we need to do so in order to comply with changes in the law or for regulatory reasons

15.1.2 we need to correct any errors or omissions, as long such correction is minor and does not materially affect the contract

15.2 Where we are making any amendment we will give you 30 days' prior written notice.

### **16. Law and Jurisdiction**

16.1 The provision by us of the Risk Modelling and Financial Product Valuation service shall be governed by and construed in accordance with the law of England and Wales and each party agrees to submit to the exclusive jurisdiction of the courts of England and Wales.

16.2 For the avoidance of doubt, this provision will apply if we agree to provide the Risk Modelling and Financial Product Valuation service in relation to civil litigation in a jurisdiction other than England and Wales, unless we have specifically agreed otherwise in writing.