

GALLANT Y.T. HO & CO.
STANDARD TERMS AND CONDITIONS OF ENGAGEMENT

These Standard Terms and Conditions of Engagement, together with the engagement letter issued by Messrs. Gallant Y.T. Ho & Co. (the “**Firm**”), constitute the terms of agreement (the “**Agreement**”) between the Firm and its client (the “**Client**”) for legal services. Please read them carefully before instructing the Firm to commence any legal works or transactions (the “**Instructed Matter**”).

1. Representation

The Firm will represent the Client in connection with the Instructed Matter as set out in the engagement letter only. Without clear instructions, the Firm is not retained to represent the Client in a general capacity. The Firm’s role will be limited to advising on applicable Hong Kong law and executing legal mechanics involved in implementing the Instructed Matter. The Firm is not qualified to advise, and will not advise, on commercial and financial aspects of the Instructed Matter.

2. Service standard

The Firm shall endeavour to ensure that the Firm provides the Client with an efficient, cost effective and high quality services in relation to the Instructed Matter. The Client agrees to notify the Firm at the commencement of the Instructed Matter the name and contact details of person properly authorized to give the Firm instructions or act on behalf of the Client and will promptly notify the Firm of any changes of such person or contact details.

The Client agrees to ensure that any information requested by the Firm from the Client in relation to the Instructed Matter will be accurate, complete and given to the Firm promptly. The Firm will not be responsible for instructions which are late, incomplete or inadequate. The Client agrees to notify the Firm immediately of:

- (a) any significant changes in, or to, the information that the Client gives or has given to the Firm; and
- (b) any other relevant fact, issue or circumstances relating to the Client and/or the Instructed Matter which affects, or may affect, the Firm in acting or continuing to act for the Client.

The Client will be kept closely involved with the progress of the Firm’s services in relation to the Instructed Matter. The Firm will keep the Client informed of all material developments, and, in the case of litigation proceedings or alternative dispute resolutions, provide sufficient notice to the Client to enable the Client’s responsible representatives to attend meetings, conferences, hearings and other proceedings. A copy of all important correspondence in the course of the service will be forwarded to

the Client.

3. Costs on account

The Client agrees, if requested by the Firm, to maintain with the Firm an appropriate sum as costs on accounts, the amount of which may be adjusted from time to time. Such payments will be held in the Firm's client account and upon issuance of the interim/final bills, the Firm will deduct and withdraw money from the account to pay for the bills. Further costs on accounts may be required from the Client when money so deposited have been utilized.

4. Disbursements

The Firm will charge the Client separately for disbursements such as travel expenses, photocopying charges, courier and delivery charges and all other out-of-pocket expenses reasonably incurred in the handling of the Instructed Matter. International facsimile and telephone calls may be separately charged in accordance with the Firm's current charges from time to time.

5. Administrative fees

The Firm may charge the Client an administrative fee for the following events:

- (a) handling fixed deposit of the Client's costs and/or other moneys on account maintained with the Firm from time to time as requested by the Client, such administrative fee for each deposit will include a set up fee of HK\$500 and a fee of not less than HK\$100 per month with monthly rest
- (b) storage of files and documents which are not collected by the Client after a period of 30 days from the conclusion of cases despite the Firm's request, such administrative fee will be not less than HK\$100 per month with monthly rest
- (c) physical retrieval of files and documents from godown and provision of documents from file records, such administrative fee will be not less than HK\$500 per request

6. Interest

Entirely without prejudice to other rights of the Firm, for any bills issued and sent, the Client may be required to pay interest thereon at the rate of 5% per annum on a daily basis if such bill or any part thereof be outstanding for more than 60 days.

Unless expressly agreed by the Firm, no interest shall be payable to the Client on the Client's costs and/or other moneys on account maintained with the Firm.

7. Billing arrangements

The Firm will bill at the end of the Instructed Matter unless an alternative agreement has been reached between the Client and the Firm. All bills will include a summary statement of all kinds of services rendered during the relevant period and, if so requested, be accompanied by a detailed statement describing the services performed, the time expended each day by each fee earner, and the hourly rates.

Reimbursable expenses included in each bill will be broken down by category. The Firm will maintain back-up documentation for all expenses for the Client's review subject to a charge of the necessary administrative fees.

The Firm may render bills on an interim basis. All bills are due and payable upon presentation.

8. Solicitors' lien and intellectual property rights in work

The Firm is entitled to impose a lien on the Client's papers, title deeds and documents delivered to the Firm for costs due and work done unless and until payment of all sums due to the Firm are fully settled.

The Firm shall retain ownership of the Firm's working papers and the copyright and all other intellectual property rights in the work that the Firm does for the Client which remains the Firm's sole property. For the purpose of advising the Client or other clients and subject to the Firm's duties of confidentiality to the Client, the Firm shall be entitled to use, analyze, share and develop the knowledge, experience and skills of general application gained through working for the Client.

Unless otherwise agreed, the Firm shall keep the Firm's working papers and any papers or documents prepared for Client (but still remaining on the Firm's files) for such period as may be prescribed by the Law Society of Hong Kong from time to time, after which the Firm shall have the right to destroy any documents or papers.

9. Payment by third party

If a third party undertakes to pay the Firm's fees or the costs and expenses incurred on the Client's behalf and such third party either fails or refuses for any reason to settle such fees, costs or expenses for more than 30 days from the date of delivery of the Firm's bill, the Client shall upon demand immediately pay such fees, costs and expenses as are outstanding.

10. Conflicts of interest

The Firm will check with the Firm's records against any potential

conflicts of interest with the Firm's present and former clients.

If during the course of representation the Firm becomes aware of any potential or real conflicts of interest which prevent the Firm from continuing to act for the Client, the Firm is entitled to cease to act for the Client and shall inform the Client accordingly.

11. Money-laundering

In order to comply with the money-laundering and terrorist financing legislation and the legal professional directions on these matters, the Firm is bound to:

- (a) request the Client to provide, among others, written documents to substantiate the Client's identity for verification purpose before the Firm can accept instructions to act. The Firm will take copies of these documents for records. In the case of corporate clients the Firm will undertake a company search and request a director, principal shareholder, beneficial owner or other executive who is in charge of the company to provide evidence of identity as above. For overseas clients who are not able to attend the Firm's offices in person, other arrangements such as arranging for certified copies of the original documents to be made and sent to the Firm by a local professional adviser may be accepted by the Firm. Unless and until the client identification and verification process has been completed to the Firm's satisfaction, the Firm reserves the right not to accept the retainer.
- (b) request the Client to provide justification or answer questions which may not directly relate to the Instructed Matter for the purpose of knowing more about the nature and the intended purpose of any particular transaction and the business relationship between parties.
- (c) verify the identity of a third party if the Client instructs the Firm to receive from or pay money to a third party on his or its behalf.
- (d) report to the Joint Financial Intelligence Unit of the Hong Kong Police Force if there are reasonable grounds for suspecting that money-laundering activities are involved. Accordingly, in the event that such situation does arise in connection with the Instructed Matter, the Firm reserves the right to make a report to the relevant authority at any time without prior notice or the Client's consent. The Firm may even have to suspend or terminate the retainer without explanation. It would be a criminal offence for a solicitor of the Firm to transfer or assist in the transfer of property derived from money-laundering activities.

It is the Firm's policy not to accept cash payments exceeding HK\$20,000.

12. Personal data collection

All personal data collected in the client identification and verification process will only be used for the client due diligence purpose (if necessary), for advising the Client on the Instructed Matter and for sending the Client details of other services that the Firm may from time to time offer including sending legal updates, seminar invitations and other marketing material. If the Firm intends to use the Client's personal data for any other unrelated purposes, the Firm shall seek the Client's permission before so doing. If the Client does not wish to receive marketing material from the Firm, please send an email to gyth@gallantho.com stating the name of the Client and the request.

13. Confidentiality

The Firm shall not disclose any confidential information which it obtains as a result of acting for the Client to any other person or party except:

- (a) as is reasonable and necessary for the purpose of carrying out the Client's instructions;
- (b) as required by law;
- (c) as required by any regulatory, governmental or other authority with relevant powers to which the Firm is subject or submit to;
- (d) to the extent that such confidential information is in or has come into the public domain through no fault of the Firm.

The Client should note that legislation on money laundering and terrorist financing has placed solicitors under a legal duty in certain circumstances to disclose or report information to the relevant authority. When 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 or report as required by law.

If, while the Firm is acting for the Client, it becomes necessary to make a money laundering disclosure or report, the Firm may not be able to inform the Client that a disclosure or report has been made or the reasons for it.

14. Termination

The Client has the right to terminate the Firm's engagement by written notice at any time. Similarly, the Firm also has the same right to terminate the Client's engagement, subject to giving the Client prior notice (save in exceptional circumstances)

In particular and without prejudice to the foregoing, the Firm may terminate the Client's engagement if:

- (a) the Client fails to assist the Firm in complying with the Firm's obligation under money-laundering legislation, regulations, directions or the related professional practice directions;
- (b) the Client fails to give the Firm clear and proper instructions despite repeated requests so that the Firm is unable to advise the Client in an efficient and effective manner;
- (c) the Firm becomes aware of any potential or real conflicts of interest which in the opinion of the Firm prevent the Firm from continuing to act for the Client;
- (d) any of the Firm's invoices remain unpaid for more than 60 days;
or
- (e) any circumstances arise which lead to or may lead to breakdown of trust and confidence between the Client and the Firm, and the Firm considers that it is inappropriate for the Firm to continue working for the Client.

Termination of this engagement shall be without prejudice to any rights that may have accrued for either the Client or the Firm before termination. The Client will remain responsible for the payment of all fees, costs and expenses incurred up to the time of termination and any costs and expenses incurred on the transfer of the Client's work and papers to another firm (if applicable).

15. Severability

If any term of the Agreement is held to be invalid or unenforceable by any judicial or other competent authority but would be valid or enforceable if some part of the term were modified or deleted, the term in question will apply with the minimum modification or deletion necessary to make it valid and enforceable, and the other provisions in the Agreement will be unimpaired and remain in full force and effect.

16. Governing law

The laws of the Hong Kong Special Administrative Region shall govern the interpretation of the Agreement. Any dispute, controversy or claim arising out of or relating to the Agreement, or the breach termination or invalidity thereof, shall be settled irrevocably and exclusively by arbitration in accordance with the UNCITRAL Arbitration Rules for the time being in force. The appointing authority shall be Hong Kong International Arbitration Centre (HKIAC). There shall be only one arbitrator. It is agreed that the decision or award of the arbitrator shall be final and legally binding on the parties hereto. Arbitration in the manner as provided in this Clause shall be the exclusive remedy for any dispute, controversy or claim as aforesaid between the Firm and

the Client. Should any party hereto attempt to resolve any dispute, controversy or claim as aforesaid by any method other than arbitration pursuant to this Clause, the responding party shall be entitled to recover from the initiating party all damages, expenses and legal fees incurred as a result.