

Legal Partners Terms & Conditions

**Working together to create financially and
socially successful communities**

FOLK 2 FOLK
The Local Lending Movement

This agreement sets out the terms upon which your Firm will be appointed to Folk2Folk's Professional Partners panel and act on behalf of the Folk2Folk Ltd or any Group Company and its Lenders and where relevant Borrowers in property finance transactions.

I Definitions

- 1.1 In these terms, the phrases "you" and "your" means any incorporated practice which includes all partners and all directors in an incorporated practice.
- 1.2 The phrases "us", "our", "we" means Folk2Folk Limited and any of its subsidiaries, Group Company and Our Lenders
- 1.3 Borrower. Means any entity which has approached or applied to Folk2Folk for a loan
- 1.4 Folk2Folk. Being Folk2Folk Limited and any other Group Company from time to time
- 1.5 Group Company. Being a group company as defined in s.474 and s.1162 Companies Act 2006.
- 1.6 Guide. Being the guide and associated documentation provided to you as part of the introduction pack (the Panel Manual) with such amendments and variations from time to time
- 1.7 Our Lender(s). Means any entity and their successors which has registered with Folk2Folk with a view to providing monies to a Borrower
- 1.8 The Lender. Means Folk Nominee Limited (holding the security on trust for and on behalf of Our Lenders)
- 1.9 Rules. Being the Rules provided to you as part of the introduction pack with such amendments and variations from time to time

2 General

- 2.1 Your appointment to our solicitor panel is subject to acceptance of these terms and conditions and our minimum criteria in relation to the number of partners. All work that you do on our behalf must be carried out in accordance with these terms and conditions, the written instructions that we provide to you with each offer of the loan, our General Instructions, the Rules and Guide together with the Law Society Practice Notes in relation to fraud and money laundering. In case of conflict between these terms and any specific instructions given for any transactions, the specific instructions will take precedence.
- 2.2 All instructions to you are subject to the limitations contained in the Solicitors Regulation Authority Code 2011 and subsequent updates
- 2.3 To act for us at the practicing address(es) noted on our records. We must be able to contact you between the hours of 9.00am – 5.00pm Monday to Friday, except on Bank and Public Holidays.
- 2.4 You hereby undertake:

- 2.4.1 To quote on **all** communications, whether by telephoning or in writing, the panel number that we provide for each practising address.
- 2.4.2 To notify us promptly in writing of any changes to the structure of your practice, including but not limited to, a change to a limited liability partnership.
- 2.4.3 To notify us immediately in writing of changes to any of the following:
- a) Bank account
 - b) Address
 - c) Telephone number
 - d) Document exchange
 - e) Email address
 - f) Number of partners/members
 - g) Structure of firm

Notification must be provided to us where practicable at least 10 days before the change is to be effective.

- 2.4.4 To maintain at all times a current practising certificate free from conditions (other than the general conditions relating to training and indemnity), and to notify us immediately in the event that any of the partners and/or solicitors/employees/clerks/consultants are subject to any disciplinary proceedings or practice limitations.
- 2.4.5 To open a separate client ledger for each loan within your client account for holding funds
- 2.4.6 To take reasonable steps to ensure that any computer equipment you use in connection with our mortgages is secure from unauthorised access and you will back up all information relating to our mortgages on your system at regular intervals.
- 2.4.7 To comply with the provisions of the Data Protection Act 1998 at all times. For evidential purposes, you will keep your file for a minimum of 6 years from the date of the mortgage before destroying it. Microfiche or data imaging is suitable compliance with this requirement. It is the practice of some fraudsters to demand the conveyancing file on completion in order to destroy the evidence that may later be used against them. It is important to retain these documents to protect our interest. Where you are processing personal data (as defined in the Data Protection Act 1998) on our behalf you will:
- Take such security measures as are required to enable you to comply with obligations equivalent to those imposed on us by the seventh data protection principle in the 1998 Act; and
 - Process such personal data only in accordance with our instructions. In addition, you will allow us to conduct such reasonable audit of your information security measures as we require to ensure your compliance with your obligations in this paragraph.
- 2.4.8 To provide us, on request (whether before or within 6 years of completion), the ledger cards and financial records and either the original or certified copy of the whole file (where you have kept a joint file) or a copy of each file (where you have kept a separate file for us and the borrower). We are entitled to the entirety of the file(s) as the borrower waives any duty of confidentiality or privilege which may otherwise exist in relation to any transaction in which you have acted for us.

2.5 You are appointed to:

2.5.1 take instructions from, and report to, Folk Nominee Limited and Folk2Folk Limited (as agent to Our Lenders) on matters such as perfecting the Legal Charge and investigating the title to the Property, in accordance with the General Instructions, Security Instructions and any other specific instructions, including but not limited to:

2.5.1.1 investigate the title of Property to be used as security for the loan to verify that the Borrower has a good and marketable title.

2.5.1.2 make relevant enquires of the Borrower and carry out property due diligence searches in respect of the Property.

2.5.1.3 prepare a Legal Charge and any other necessary loan documentation based on standard form documents created by Folk2Folk.

2.5.1.4 following completion of the loan the Panel Firm will attend to the registration of the Legal Charge at the Land Registry, and Companies House if appropriate.

2.5.2 register the Legal Charge in the name of Folk Nominee Limited who will hold the security on bare trust for Our Lenders. The Lenders will receive a certificate from Folk Nominee Limited confirming the loan details.

2.6 You are not appointed to:

2.6.1 be advising Folk Nominee Limited on matters such as financial planning and the suitability of the loan for your investment requirements.

2.6.2 advise Folk2Folk or Folk Nominees Limited whether any financial regulatory requirements have been met.

2.6.3 advise us on the limitations or restrictions of the Folk2Folk group structure or the use of Folk Nominee Limited as a bare trust for the security.

2.6.4 advise Our Lenders as to whether this transaction is suitable to their circumstances.

2.6.5 advise Our Lenders as to how the lending operates between the different Lenders.

2.7 Your duty of care will be to Folk2Folk Limited, Folk Nominee Limited and all its beneficiaries from time to time for the particular loan.

3 Instructions to act:

You must:

3.1 Notify us of any instruction you receive to act for a relative or partner of your Firm before you accept any instruction.

3.2 Report any information or documentation which ought reasonably to be considered relevant or which might reasonably influence our decision to lend.

- 3.3 Not outsource any instruction given to you by Folk2Folk.
- 3.4 Recover the Initial Review costs (currently £100 plus VAT) from Folk2Folk by producing a valid invoice. Folk2Folk will pay these charges within 30 days of receipt of the invoice.
- 3.5 Recover your costs for the security work from the Borrower on completion strictly in accordance with the Fee Schedule, attached to these terms and conditions and as updated by us from time to time. Additional costs may only be charged if previously approved by us.
- 3.6 All administrative costs to you for providing these services (including but not limited to copying, storage, postal services etc) are included within the fees in the Fee Schedule. No further charges may be made to the Borrower.
- 3.7 Not seek to set off or claim any lien over monies, which you have received by way of advance or redemption from us.
- 3.8 Without prejudice to any other rights or remedies indemnify us up to the limit of the mortgage advance, against all losses arising from reasonable and proper costs, claims, demands and liability arising out of any breach by you of your obligations including but not limited to payments of any administration charges or solicitors costs levied under clause 6.2 or 6.3 below.
- 3.9 In cases of property purchase, send all monies direct to the vendors' solicitors client account.
- 3.10 Verify the identity of any solicitor acting for third parties by checking the Law Society website, or other accredited source unless the firm is known to you and in the case of a Licensed Conveyancer acting for any third party by checking the Council of Licensed Conveyancers website.

4 Professional Indemnity Insurance

You must:

- 4.1 Notify us immediately in the event your level of professional indemnity insurance cover falls below the level stated in your application form.
- 4.2 Notify us immediately in the event your level of professional indemnity insurance cover falls below the minimum standards amount set out by the Law Society.
- 4.3 Notify us if your professional insurance policy contains aggregation clauses.
- 4.4 Keep in force at all times appropriate professional indemnity insurance. If at any time you enter the Assigned Risk Pool or insurance cover ceases for any reason, you will notify us in writing immediately and cooperate with us in any monitoring arrangements that we put in place in accordance with 6.2 below. We reserve the right to terminate this agreement.
- 4.5 Carry out our instructions with due care and skill, expected within the profession, ensuring that all employees carrying out mortgage work on our behalf are qualified and competent to do so and you will have in place adequate monitoring and supervision of all qualified, support staff, fee earners, consultants and other employees.

- 4.6 Report to us if you are currently instructed to act for the Borrower on any transactions with another lender in order that we may determine whether professional indemnity insurance cover is sufficient.
- 4.7 Report to us should your professional indemnity insurer attempt to reduce or withdraw cover for any reason (including but not limited to fraud, condoning action(s) of other partners)
- 4.8 Report to us should your professional indemnity insurer raise any issue regarding aggregation or any other matter which may potentially reduce any damages we may claim from you.
- 4.9 Report to us if legal proceedings are issued against you alleging professional negligence arising out of a conveyancing transaction.

5 Deeds

You must:

- 5.1 Comply with all the registration formalities set out in our General Instructions including registration at Companies House (within the requisite statutory period) and the Land Registry (within the priority period afforded by your original Land Registry search made before completion) and keep us informed of the reasons for any delay in your being able to send the title deeds and documents we require within 3 months of completion. (We may send reminders if the deeds have not been received, we will acknowledge receipt of the deeds). Failure to do so may result in us reporting your Firm to the Solicitors Regulation Authority and terminating this agreement and removing you from our legal panel.
- 5.2 Ensure that all deeds and documents of title in your possession, relating to a property that we or our lenders have an interest in as a mortgagor or potential mortgagor, will be held safely and to our order and no lien will be created exercised over them and returned to us without any amendment or alteration to them.
- 5.3 Return our deeds when required to do so according to the directions we give and to act in accordance with the instructions provided in the covering letter.
- 5.4 Be responsible for the reconstitution of the title deeds (whether the title is registered or unregistered, at your own cost) where any deeds in your possession, or were last known to be in your possessions, go missing.
- 5.5 Return the title deed and documents to us if they are required by another solicitor firm within 24 hours of an instruction from us requiring you to do so (excluding non-working days).

6 Our Rights

You grant to us the following rights and we are therefore permitted:

- 6.1 To call for copies of your practising certificates or insurance policies from time to time for inspection purposes. Where we have been notified that you have joined the Assigned Risk Pool, to undertake any monitoring arrangements that we consider necessary during the time that you remain in the Assigned Risk Pool.

6.2 To commence tracking and monitoring procedures which may include but not limited to the following:

- Visits by our representatives (see 6.1 above)
- Review your panel status, which may result in your Firm being removed from our panel and this agreement being terminated
- Instructing external solicitors to assist us in perfecting our security, retrieving our outstanding title deeds or reconstituting deeds

where the charge has not been registered in accordance with 5.1, the security has not been perfected or the deeds are outstanding for longer than the period stated without reasonable explanation being provided to us, and/or we are not satisfied with the standard of work.

6.3 To charge you administration fees and the cost of employing an external firm of solicitors, to be borne by you, where it is necessary for us to invoke these procedures. To suspend further instructions to you during the monitoring process.

6.4 In the event of your breach of these Terms and Conditions or your other obligations to us to remove your Firm from our panel where we feel it necessary and we will not provide you with the reasons for removal or enter into any correspondence regarding our decision and may report your Firm to the Solicitors Regulation Authority.

6.5 We may update or amend these Terms and Conditions and those contained in the Rules and Guide from time to time to comply with law or to meet our changing business requirements. Where it is necessary to vary these terms and conditions, we will provide you with a copy of the revised document. Delivery to your Firm, in accordance with 'Notice' below will be deemed to be your acceptance of the revised terms and conditions

7 Termination

7.1 You may terminate your panel appointment with us, upon giving us not less than 14 days written notice.

7.2 Any outstanding correspondence or work must be dealt with prior to you terminating your contract with us (see 7.5).

7.3 Without prejudice to our other remedies or rights, your panel appointment may be suspended or terminated by us at any time at our absolute discretion without stating reasons by notice in writing to you. It shall in any event terminate automatically upon one or more of the following events occurring:

- a) Your practising certificate being revoked by the Law Society
- b) Your professional indemnity insurance cover being withdrawn
- c) Your ceasing to carry on a business or profession as a solicitor, by obtaining an interim order, being dissolved or wound up whether voluntary compulsorily or being presented with a bankruptcy petition, or entering into any agreement or arrangement with your creditors
- d) Your having an agent or judicial factor appointed by the relevant Law Society in respect of the practice or in respect of any other matter on which instructions have been received from us
- e) Your being investigated for or charged with any criminal offence, (other than an offence under the Road Traffic Acts).

Following termination, you:

- 7.4 Shall no longer be instructed to act on our behalf and any instructions received after the date of termination shall be returned immediately to the address from which they were sent.
- 7.5 Shall, if advised in writing by us, deal with all outstanding instructions in accordance with our instructions and, if so advised, return all deeds and documents of title in your possession to us or any person or firm nominated by us.
- 7.6 Shall not, for the avoidance of doubt, be released from any liability to us due to your failure to comply with instructions.

8 Assignment

This agreement and all rights and obligations under it shall not be assigned or transferred by you without our consent in writing.

9 Protection of confidential information

- 9.1 Each Party ('Receiving Party') shall keep the confidential information of the other Party ('Supplying Party') confidential and secret, whether disclosed to or received by the Receiving Party. The Receiving Party shall only use the confidential information of the Supplying Party for the Purpose and for performing the Receiving Party's obligations under the Agreement. The Receiving Party shall inform its officers, employees and agents of the Receiving Party's obligations under the provisions of this Clause 9, and ensure that the Receiving Party's officers, employees and agents meet the obligations.
- 9.2 The obligations of Clause 9.1 shall not apply to any information which:
 - 9.2.1 was known or in the possession of the Receiving Party before it was provided to the Receiving Party by the Supplying Party;
 - 9.2.2 is, or becomes, publicly available through no fault of the Receiving Party;
 - 9.2.3 is provided to the Receiving Party without restriction or disclosure by a third party, who did not breach any confidentiality obligations by making such a disclosure;
 - 9.2.4 was developed by the Receiving Party (or on its behalf) who had no direct access to, or use or knowledge of the confidential information supplied by the Supplying Party; or
 - 9.2.5 is required to be disclosed by order of a court of competent jurisdiction
- 9.3 This Clause 9 shall survive termination of your panel appointment for a period of 3 years.

10 Waiver

Failure or neglect by us to enforce at any time any of these provisions shall not be construed or deemed to be a waiver of our rights, nor in any way affect the validity of the whole or any part of these terms, nor prejudice our rights to take subsequent action.

11 Notice

All notices required to be given under these terms shall be in writing and shall be deemed to be given when:

- Delivered, if delivered by messenger, during normal business hours (as defined in Clause 2.3)
- When sent, if transmitted by email or facsimile transmission, during normal business hours: or
- On the second business day following mailing if mailed by recorded or registered mail: or first-class mail postage prepaid: or Document Exchange.

Any notice to you shall be sent to your last known address. All notices to us are to be sent to the address below or such other address we notify you of from time to time.

Any notice to us shall be sent to:

Folk2Folk
Number One Business Centre
Western Road
Launceston
Cornwall
PL15 7FJ

12 Acknowledgement

You acknowledge that, in accepting these Terms and Conditions, you do not do so in reliance on any representation, warranty or other provision except as expressly provided in these terms and conditions, and any conditions, warranties or other terms implied by statute or common law are excluded from these terms and conditions to the fullest extent permitted by law. Nothing in these terms and conditions excludes liability for fraud.

13 Copyright

You must not use or copy our standard security documentation or otherwise duplicate any of our processes or systems, other than for the purpose of work on behalf of Folk2Folk and its lenders.

14 Use of Logos and Branding

- 14.1 Folk2Folk is a registered trade mark and it and any corporate branding or logo or imagery of Folk2Folk or a Group Company must only be used with our consent and (where applicable) in accordance with any such consent not to be unreasonably withheld.
- 14.2 By entering into these Terms & Conditions you acknowledge and agree that we (and our Group Companies) may wish to use your trademarks, branding and logos and you consent to their use subject to your approval (such approval not to be unreasonably withheld or delayed).
- 14.3 You acknowledge and confirm that we may name your firm as a Panel Firm in our literature and in promotional material, marketing and PR.

Folk2folk's Solicitors Panel Acceptance of Terms & Conditions

| | |
|------------|--------------|
| Firm name: | ("the Firm") |
|------------|--------------|

The firm is regulated by the Solicitors Regulation Authority in accordance with the solicitor's code of conduct 2007 and subsequent updates.

I confirm that any partner or person acting for Folk2Folk and/or its lenders will fully comply with the terms and conditions, a copy of which has been supplied to me, and in accordance I hereby agree to the appointment of the Firm to Folk2Folk's panel of solicitors for the purpose of acting on the behalf of Folk2Folk and its lenders in property finance transactions. The terms and conditions are accepted without modification.

Signature of Senior Partner
For and on behalf of the Firm

Printed name of Senior Partner

Date signed
