

## GENERAL TERMS AND CONDITIONS FOR LEGAL SERVICES

This document sets forth the general terms and conditions under which Advokaadibüroo Derling OÜ provides legal services.

### THE PARTIES

- 1.1 The legal services are provided by Advokaadibüroo Derling OÜ, registry code 14024560, registered office located at Liivalaia 45, Tallinn (hereinafter the "**Law Firm**").
- 1.2 The person receiving the legal services, i.e. the client, is each natural or legal person with whom the Law Firm has entered into a contract for the provision of legal services (hereinafter the "**Contract**") or to whom the Law Firm provides services on other legal grounds (hereinafter the "**Client**"). The Contract can also be entered into for the benefit of a third party (hereinafter the "**Beneficiary**").
- 1.3 The Law Firm and the Client are hereinafter individually referred to as a "**Party**" or jointly as "**Parties**".

### ENTRY INTO THE CONTRACT

- 2.1 The Law Firm has discretion to decide whether it will accept instructions from the person seeking legal services (i.e. act for the person) or not.
- 2.2 The Law Firm shall decline to act for a person if it is clear that legal services are sought for protecting an interest contrary to law, or if the Client's claim does not have a legal basis, or if there are no procedural means of protecting the interests of the Client.
- 2.3 The Law Firm may not represent or protect two or more Clients in the same matter or provide other legal services to two or more Clients if there is a conflict between the interests of those Clients. The Law Firm may not provide legal services to a Client if there is a circumstance that impairs or may impair the attorney's ability to act solely in the interests of the Client (a conflict of interests), except if the Law Firm has informed the Client thereof and the Client still insists that the attorney provide legal services to the Client.
- 2.4 If there is a conflict of interests, the Law Firm shall refuse to act for the person seeking legal services.
- 2.5 The Law Firm is obliged to apply the due diligence measures set forth in the Estonian Money Laundering and Terrorist Financing Prevention Act and other legislation issued on the basis thereof. The Client must provide the Law Firm with all the requested information that is necessary for the Law Firm to apply the due diligence measures.
- 2.6 The Law Firm is deemed to have agreed to act for a Client once the Contract has been entered into with the Client.



- 2.7 As a rule the Law Firm and the Client shall enter into the Contract in writing, using the Contract template of the Law Firm.
- 2.8 The Contract can also be entered into orally or in a format which can be reproduced in writing. The existence of an oral Contract between the Law Firm and the Client is, among other things, evidenced by the Client's provision of information necessary for providing legal services or issuing an invoice, as well as by the payment of an invoice issued to the Client or a person designated by the Client.

## THE PROCEDURE FOR PROVISION OF SERVICES

- 3.1 Based on the Contract, the Law Firm shall provide legal services to the Client or persons designated by the Client in accordance with the Client's written or oral instructions. The exact manner and terms of providing the legal services shall be at the discretion of the Law Firm, and the Client is not entitled to request that the Law Firm follow its detailed instructions.
- 3.2 The exact nature and extent of the legal services to be provided by the Law Firm to the Client shall be agreed upon the signing of the Contract. If both Parties agree, the nature and extent of the legal services may be altered in the course of providing the services.
- 3.3 The legal services under the Contract shall be provided by members of the Estonian Bar Association (hereinafter the "**attorney providing legal services**"), who are bound by the legal acts regulating the activities of the Bar members. Legal services shall be provided by partners or senior associates independently and by associates (vandeadvokaadi abi in Estonian) under the supervision of a partner or senior associate. If necessary, the attorney providing legal services is entitled to use the assistance of the lawyers working for the Law Firm in preparing legal documents or performing other less complicated tasks, bearing full responsibility for the work of such lawyers.
- 3.4 In deciding who will provide legal services to a specific Client, the Law Firm shall take into account the wishes of the Client as well as the special expertise, experience, workload, etc., of attorneys.
- 3.5 The Law Firm shall provide legal services with reasonable professional skill and care, acting in the best interests of the Client and avoiding damage to the Client's property.
- 3.6 In providing the legal services, the Law Firm shall use its best efforts to achieve the result desired by the Client. As a rule, the Law Firm cannot guarantee that the desired result will be achieved.
- 3.7 The Law Firm shall inform the Client of all relevant matters relating to the provision of legal services, especially of those matters that may cause the Client to change its instructions, and, at the request of the Client, shall provide the Client with information on the performance of the Contract.
- 3.8 The Client shall cooperate with the Law Firm in carrying out the Client's instructions, being, among other things, obligated to provide the Law Firm with accurate and complete information and documents and to provide additional explanations at the request of the Law Firm.
- 3.9 If the Client fails to provide the Law Firm with the data necessary for carrying out the instructions or other information necessary for providing legal services, the Law Firm may cease to perform the Contract or terminate the Contract under clause 8.3.5 below.
- 3.10 In the provision of legal services, the Law Firm is entitled to perform all legal acts necessary to properly carry out the Client's instructions, including preparing documents, representing the Client in Estonian courts and in pre-trial proceedings or in state and local institutions, and performing any other legal acts in the interests of the Client. If necessary, a power of attorney issued by the Client to the Law Firm shall be annexed to the Contract.



- 3.11 The Law Firm shall carry out the instructions of the Client with due care and diligence, in accordance with the Contract entered into with the Client. Any instructions outside the scope of the Contract, given to the Law Firm by the Client or necessary in order to protect the interests of the Client, may be carried out by the Law Firm on agreement with the Client or may be declined by the Law Firm.
- 3.12 The Law Firm shall keep a file in connection with the provision of legal services to the Client, containing all documents relating thereto. The documents and other data media may also be stored and maintained in electronic form. The Law Firm shall keep materials relating to the Client's case separately from other documents and materials and shall guarantee their preservation and confidentiality.
- 3.13 The Law Firm shall keep in confidence all information that has become known to the Law Firm in relation to the provision of legal services, as well as the source of such information, except if the Law Firm is compelled to disclose the information by law or if the Client instructs or authorises the Law Firm to disclose the information.
- 3.14 The fact that the Client sought legal assistance from the Law Firm, as well as the nature and extent of legal assistance and the amount of the Fee, shall also be subject to the requirement of confidentiality. However, informing the court of the amount of the Fee for the purpose of being awarded the legal costs shall not be deemed to be a breach of confidentiality.
- 3.15 The Law Firm shall not give documents or other data media relating to the professional activities of attorneys to any other party or institution who is not the named recipient of such documents or data media, except if the Law Firm is compelled to do so by law or if the Client instructs or authorises the Law Firm to do so. However, the giving of such documents and data media and disclosure of the information contained therein to the management board of the Bar Association for exercising supervision or to the court of honour of the Bar Association in the hearing of a matter concerning a disciplinary offence shall not be deemed to be a breach of confidentiality.
- 3.16 The Law Firm's duty of confidentiality shall continue after the expiry or termination of the Contract to the extent needed to protect the legitimate interests of the Client.
- 3.17 The Law Firm may publish the Client's name in its promotional materials if the Client has consented thereto or if the fact that the Client is a client of the Law Firm is public information, i.e. the Client has itself disclosed the fact that it uses the services of the Law Firm or such information has become public otherwise. In the case of a Client engaged in economic or professional activity, such consent is deemed to be given by the Client's signing of the Contract.
- 3.18 The Law Firm is obliged to deliver the work performed under the Contract, as well as to return the files, documents and other things delivered by the Client, to the Client. The Law Firm is entitled to withhold the work performed and/or the materials delivered by the Client or prepared or collected in the interests of the Client if the Client has failed to perform its obligations to the Law Firm, including the obligation to pay for the legal services provided.
- 3.19 The office hours of the Law Firm are, and legal services are provided, on workdays (from Monday to Friday, except public holidays) from 9 a.m. to 5 p.m. If necessary or if so agreed with the Client, legal services may also be provided at other times.

## **FEES AND CHARGES TO BE PAID FOR SERVICES**

- 4.1 The principles of charging fees for providing legal services (hereinafter the "**Fee**") shall be separately agreed on with each Client in the Contract. The Fee shall be calculated based on an hourly rate and/or shall be agreed on as a fixed amount. The hourly rate may be different in the case of legal services provided by partners, senior associates and associates.
- 4.2 The calculation of hourly fees shall be based on the presumed hourly rates approved by the Law Firm. The Parties may agree on different hourly rates in the Contract. The hourly rate will



depend on the nature, extent, complexity, term, etc., of the legal services provided in each particular case.

- 4.3 Besides paying the Fee, the Client shall reimburse the Law Firm for overhead charges related to the provision of the legal services (e.g. communications costs, photocopying, courier services, etc.) to the total amount of 3% (three percent) of the fee charged for the legal services (all rates quoted are exclusive of VAT).
- 4.4 In addition to the Fee and overhead charges, the Client shall reimburse the Law Firm for any and all explicit costs paid by the Law Firm for the Client in connection with the provision of the legal services, including but not limited to state fees, notary charges and other payments made for the Client, transportation and accommodation expenses, translation costs, costs of professional assistance and use of equipment as well as other expenses incurred by the Law Firm beyond the ordinary course of legal service.
- 4.5 Initial proposals as to the total amount of the Fee submitted at the request of the Client are merely estimates and are based on the data available to the Law Firm at the time of making the proposal. Such proposals should not be regarded as final and binding offers unless the Parties have agreed otherwise. The Law Firm shall, at the request of the Client, change the initial fee proposal if it is clear that the actual amount of the Fee will significantly differ from that stated in the initial fee proposal.
- 4.6 Before commencing performance of the services, the Law Firm has the right to request that a reasonable advance payment be made for the Fee payable and expenses to be reimbursed.
- 4.7 The Law Firm shall maintain electronic records of the legal services provided to the Client, specifying the duration of the work performed and providing an explanation as to the nature of the work. A printout from the respective program shall be enclosed to invoices submitted to the Client. The Client is entitled to request that the Law Firm provide details regarding the Fee charged and invoices submitted.
- 4.8 The Law Firm is entitled to unilaterally adjust the Fee (including hourly rates) annually by giving the Client at least 30 (thirty) days' notice thereof. The Law Firm is also entitled to adjust the Fee if the circumstances under which the Contract was entered into change or if the provision of legal services under the Contract turns out to be much more complex and time-consuming than could be foreseen by the Parties at the time of entering into the Contract. If the Client does not agree with the adjustment of the Fee, the Client is entitled to terminate the Contract.
- 4.9 The Client shall pay all invoices within 7 (seven) days from the date of the invoice. If the Client fails to pay the invoice when due, the Law Firm is entitled to charge late payment interest at the rate of 0.1% of the amount outstanding per each day the payment is overdue.
- 4.10 If the Law Firm has ceased to perform the Contract or has terminated the Contract, the Law Firm is entitled to receive the Fee for the services already provided.

#### **OTHER RIGHTS AND OBLIGATIONS OF THE CLIENT**

- 5.1 The Client is entitled to request:
  - 5.1.1 that the legal services be provided in a professional, appropriate and timely manner and in compliance with the requirements for the professional ethics of attorneys;
  - 5.1.2 information on the provision of legal services, including information on circumstances relating to the provision of legal services and on the formation of the Fee;
  - 5.1.3 that the money, securities or other assets of the Client deposited with the Law Firm in safe custody for performing the Client's instructions or received by the Law Firm on behalf of the Client in the course of performing the instructions be kept separately from the assets of the Law Firm or attorneys, and that the Law Firm maintain separate records regarding such assets.



- 5.2 The Client must inform the Law Firm of any change in the Client's contact details.
- 5.3 If the Client is a legal person and a new management board is elected in this legal person within the term of the Contract, the Client must immediately inform the Law Firm whether the Client wishes to continue the relationship arising from the Contract.

## **THE RIGHTS AND OBLIGATIONS OF THE LAW FIRM IN RELATION TO PREVENTING MONEY LAUNDERING AND TERRORIST FINANCING**

- 6.1 The Law Firm and attorneys providing legal services shall comply with the requirements established in the Estonian Money Laundering and Terrorist Financing Prevention Act and legislation issued on the basis thereof when acting on behalf of or for the account of the Client in financial or real property transactions.
- 6.2 The Law Firm and attorneys providing legal services shall comply with the requirements established in the Money Laundering and Terrorist Financing Prevention Act and legislation issued on the basis thereof if the Law Firm or the attorney providing legal services acts on behalf of or for the account of the Client, or instructs the Client in planning or implementing a transaction, or performs an act, that is related to:
  - 6.2.1 buying or selling of real property or business entities;
  - 6.2.2 managing of the Client's money, securities or other assets;
  - 6.2.3 opening or management of bank or securities accounts;
  - 6.2.4 organisation of contributions necessary for the creation, operation or management of companies;
  - 6.2.5 creation, operation or management of trusts, companies or similar structures.
- 6.3 The Law Firm has all the rights arising from the Money Laundering and Terrorist Financing Prevention Act and legislation issued on the basis thereof, including the right to decline to provide services or to terminate its business relationship with the Client in the cases provided by law.

## **LIABILITY**

- 7.1 The Law Firm and the attorney providing legal services shall have no obligation to verify or check the accuracy of any information the Client provides to the Law Firm. The Law Firm and the attorney providing legal services shall not be liable for the accuracy of the information provided by the Client.
- 7.2 If, in the course of providing legal services to the Client, a need arises to use the professional assistance of experts, consultants, specialists, etc., of other fields who do not work for the Law Firm, the Law Firm and the attorney providing legal services shall not be liable for the accuracy of the analyses, opinions, explanations or other information provided by them.
- 7.3 The Law Firm and the attorney providing legal services shall not be liable for the adverse effects caused by inaccuracy of the information provided by the Client or lack of the necessary instructions from the Client.
- 7.4 The Parties and the attorney providing legal services shall not be liable for any loss of profit or damage caused by business interruption.
- 7.5 The Parties and the attorney providing legal services shall be liable for a breach of their obligations under the Contract or for damage caused by the provision of legal services only in the case of intent or gross negligence.



## **TERMINATION OF THE CONTRACT**

- 8.1 The Contract shall terminate once the Law Firm has carried out the instructions given by the Client in the Contract.
- 8.2 The Client is entitled to terminate the Contract at any time, giving the Law Firm written notice thereof within a reasonable time before the Law Firm performs another task under the Contract. If the Law Firm represents the Client in court, it is presumed that the Client shall give at least 5 (five) days' notice of its wish to terminate the Contract.
- 8.3 The Law Firm may, on its own initiative, cease to perform the Contract and/or to terminate the Contract if:
- 8.3.1 a conflict of interests arises in the course of acting for the Client;
  - 8.3.2 the Client fails to perform an obligation arising from the Contract or breaches any of the essential conditions of the Contract;
  - 8.3.3 the Client does not follow the instructions given by the Law Firm or acts in another manner that indicates clearly that the Client has lost confidence in the Law Firm or the attorney providing legal services;
  - 8.3.4 the Client gives the attorney instructions that damage the interests of the Client or are clearly of no use for protecting the interests of the Client and, although the Law Firm has brought such fact to the attention of the Client, the Client still insists that the instructions be followed;
  - 8.3.5 regardless of repeated reminders by the Law Firm, the Client fails to provide the data and/or information necessary for providing legal services under the Contract within a longer period of time and, as a result, the provision of legal services is hindered or impossible;
  - 8.3.6 the Client has failed to pay the Fee according to the terms and condition agreed on;
  - 8.3.7 the Client participating in a transaction relating to economic or professional activities fails to submit the required documents or relevant information regardless of respective requests, or if the documents or data submitted do not dispel the suspicion of the Law Firm that the aim of the transaction or business relationship could be money laundering or terrorist financing;
  - 8.3.8 if, in the course of the economic or professional activities of the Client, or in the course of performing its professional duties, the Law Firm discovers any activity or fact that might be an indication of money laundering or terrorist financing or which gives rise to a suspicion that it might constitute money laundering or terrorist financing;
  - 8.3.9 the Law Firm and the Client do not reach an agreement on adjusting the Fee as set forth in clause 4.8. above.
- 8.4 The Law Firm shall cease to act for the Client and terminate the Contract if the Client:
- 8.4.1 submits false evidence and the attorney is aware of the evidence being false;
  - 8.4.2 despite the respective explanations of the attorney, insists that the attorney use illegal means or measures to protect the interests of the Client;
  - 8.4.3 insists that the attorney act in a manner that is contrary to the professional honour and dignity or the requirements for the professional ethics of attorneys.

## **MISCELLANEOUS**

- 9.1 Besides the Contract, the relations between the Law Firm and the Client are subject to Estonian law, including the Law of Obligations Act, other contracts and agreements between the Law



Firm and the Client, the requirement of sound business practice, and the principles of good faith and reasonableness.