

# Standard Terms for Client Engagements

## Overview

*These terms apply to any particular matter that we undertake for a client. The phrase "these terms," when used below, means the following Standard Terms for Client Engagements. In these terms, we use the term "you" to refer to our client(s); that term does not refer to or include any other person (see section 2, below). References to "us," "we" and "our" are references to Cassels Brock & Blackwell LLP.*

## 1. Nature of our Engagement

For each matter for which you engage us, we will provide you with legal services that in our professional judgment are reasonably necessary and appropriate to carry out the particular engagement.

These terms apply to all matters that we undertake for you. We may set out, in an engagement letter, the details of a particular matter that we undertake for you. The terms of that letter, to the extent that they conflict with these terms, will apply to that matter.

We will not provide legal advice or services except as described in these terms and in any engagement letter we may send you.

## 2. Our Representation of You

Our representation of you will not include representing related persons or entities, such as the individuals who are, for example, shareholders, directors or officers of a corporation or its parent, subsidiaries or affiliates, related corporate entities, partners of a partnership or joint venture, or members of a trade association or other organization. In acting for you, we are not acting for or taking on any obligations to any such related persons or entities; no lawyer-client or other fiduciary relationship will exist between us and any of them.

## 3. Instructions

For clients that are organizations (such as corporations), we will accept instructions from anyone in your organization who has apparent authority in connection with the particular matter, unless you instruct us otherwise.

## 4. Undertaking to Preserve Confidentiality

We will not misuse or, subject only to applicable law and our professional and ethical obligations, disclose your confidential information. Because we owe this duty to all our clients, we will not disclose to others information we hold in confidence for you (even where such confidential information may be relevant to our representation of those others) or disclose to you information we hold in confidence for others (even where such confidential information would be relevant to our representation of you).

## 5. Identification of Potential Conflicts

We will not take on any new matter that would create a substantial risk that our representation of you on a particular matter would be materially and adversely affected (a "conflicting interest"). We will conduct a review of our records at the beginning of each new matter and will contact you if we identify a potential conflicting interest in representing you in the particular matter.

We do not normally consider ourselves to have a conflicting interest because we represent other clients, including any business competitor, customer or supplier of yours, on whose behalf we are asserting legal positions or arguments that may be inconsistent with those you are asserting or may wish to assert, or who in another matter is adverse in

interest to an entity you have a relationship with (through ownership, contract or otherwise). Unless you have asked us to perform a search against particular entities described above, our conflict search will not identify any issues arising from our representing them.

## 6. Representation of Other Clients

We wish to avoid any circumstances in which you would consider our representation of another client to be inconsistent with our obligations to and understandings with you.

While you are our client, (a) we will not act for another client in a matter that creates a conflicting interest, and (b) if we learn that we are engaged in a matter that creates a conflicting interest, we may ask for your agreement to our continuing to act on terms satisfactory to all concerned.

When you are no longer our client, we may, under the Law Society of Upper Canada's Rules of Professional Conduct, represent another client in any matter that is adverse to your interests provided that (a) the other matter is not the same as or related to the matter in which we previously represented you, and (b) we protect your relevant confidential information.

You acknowledge that, if we establish a conflict screen in a timely manner, that will be sufficient protection of the confidentiality of such information so that we may represent another client in the other matter.

We are relying on the consents described above in agreeing to represent you in each matter. We will not seek any further consent from you or consult with you before advising, acting for or representing another client with interests adverse to yours. If you have any questions concerning the implications of providing this consent, we recommend that you seek advice from independent legal counsel (which may include your in-house counsel, if applicable).

## 7. Inability to receive instructions

We will make our best efforts to contact you in advance of any relevant date to advise you of your options concerning any action that may need to be taken. Very occasionally, however, we may be unable to receive timely instructions from you about a possible course of action where the decision required is time-sensitive, and the failure to act may have a negative impact on your matter. If we have not been able to get your instructions before the relevant date, you authorize us to take whatever steps we consider appropriate in the circumstances, which may include filing documents on your behalf with a court or regulatory body, to protect your position. We will, in such a case, take the minimum steps necessary and advise you immediately as to what we did and why.

## 8. Termination

You may at any time give us written notice to terminate your engagement of us. On termination, you will pay to us all unpaid legal fees, disbursements and internal charges. Subject to our professional and ethical obligations, we may at any time terminate our legal representation of you for any reason, including as a result of conflicts of interest that arise or unpaid legal fees, disbursements or internal charges.

Unless our engagement has already terminated, our representation of you in a particular matter will end when you receive our final statement of account. Upon termination of a matter, please advise us if you wish us to return to you any documentation you gave us. Otherwise, we will deal with it (and any work product done for you) in accordance with our records retention

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policies and practices. Those policies and practices may not be the same as yours. Unless you advise us otherwise in writing, we may retain or destroy our records for any particular matter, as we deem appropriate.

Once our work on a particular matter has been completed, we will not advise you as to subsequent legal developments relating to that matter. The fact that we may subsequently send you information without charge or include you in general mailings will not change the fact that our engagement has been terminated.

We also do not diarize or take further steps to confirm the status of, amend, update, or renew any security or other filings (including, without limitation, registrations made under the *Personal Property Security Act* or *Bank Act*, garnishments, and writs of seizure and sale) that we may have made on your behalf. You will need to take all necessary steps to ensure that registrations and other filings remain effective, including by noting expiry dates and undertaking required renewals.

### 9. Electronic Communications

During the course of our engagement on any particular matter, we may exchange electronic versions of documents and e-mails with you using commercially available software. Unfortunately, the available technology is vulnerable to attack by viruses and other destructive electronic programs. As a result, while we have sought to take countermeasures, our system may occasionally reject a communication you send us; alternatively, we may send you something that your system rejects. Accordingly, we cannot guarantee that you will receive all electronic communications and documents that we send you, or that they will always be virus-free. We make no promises relating to the delivery or security of any electronic communications between us. You consent to our sending you electronic communications, including confidential documents, unencrypted.

### 10. Privacy

In the course of our engagement, you may provide to us (and we may collect) personal information that is subject to applicable privacy protection laws. On your behalf, we will collect, use or disclose that personal information for providing our services to you and for those purposes described in our privacy policy, which can be found on our website.

### 11. Staffing

Unless you instruct us otherwise, we will draw on the necessary internal resources to handle each particular matter properly. If appropriate, we may involve different lawyers or other legal professionals to deal with different aspects of the matter. (Our "legal professionals" include law clerks, articling and law students, research librarians, and technical specialists.)

### 12. Legal Fees

Our fees are based on our assessment of the reasonable value of our services. To assist us in determining that value, we assign hourly billing rates to each of our lawyers and legal professionals, and record the time they spend and the services they render on the matter. If we have not previously done so, we will, upon request, provide you with the hourly billing rates for the principal lawyers involved in the matter.

It may be necessary to involve other lawyers and legal professionals (other than those noted in the engagement letter, if we have sent you one) to work on a particular matter, in which case their time will also be recorded and billed at their then current hourly rates.

Our billing rates may change from time to time. If they change during the course of an engagement, the new rates will then apply.

We would be pleased, for any particular matter, to provide an estimate of legal fees, disbursements and internal charges that we anticipate will be incurred and to provide updated estimates as the matter progresses. Because of the inherent difficulty of predicting the amount of time a particular matter will require and the course the engagement will take, the estimate will be an approximation only. Our actual fees, disbursements and internal charges may vary, possibly significantly, from the estimate. Estimates are based on the circumstances as we understand them at the time and on assumptions about events that will affect the scope and nature of our work.

### 13. Disbursements and Internal Charges

Our legal fees in a particular matter do not include our disbursements and internal charges, which will be billed in addition to our fees for legal services. They typically include such things as long distance telephone charges, messenger and express delivery charges, postage and courier charges, computer research charges, word-processing charges, printing and reproduction costs, overtime costs for administrative staff, fax transmission costs, travel expenses, filing charges, court reporter fees for examinations and transcripts, witness fees, and fees for service of legal process.

If we obtain these services directly from outside suppliers, we will bill you the amount invoiced to us. If the amounts of these invoices are significant, we may forward them directly to you, in which case you will be responsible to pay them, in accordance with their terms, directly to the outside supplier. Certain disbursements and internal charges are incurred internally and are billed at an amount intended to cover our direct costs and associated overhead.

It may be necessary for us to engage outside experts, such as accountants, economists, appraisers or investigators, to assist in a particular matter. We will consult with you before retaining any experts. It may also be necessary for us to retain lawyers and others as agents in other jurisdictions. Fees for outside experts and for agents in other jurisdictions are not included in our legal fees. You will be responsible for payment of all fees and disbursements of all experts and agents in other jurisdictions retained on your matter. You agree to pay these invoices, in accordance with their terms, directly to these parties.

### 14. Payment

We will send you periodically statements of account for our fees, disbursements and internal charges. You agree to pay them on receipt. You also agree to pay interest on amounts outstanding more than 30 days at the rate of interest permitted under the *Solicitors Act*. Each statement of account will provide a summary of the services provided. Our continued work on a particular matter is contingent on your timely payment of our statements of account and the honouring of any financial retainer arrangement that may be set out in the engagement letter.

### 15. Governing Law

Our engagement with you is governed by, and is to be interpreted, construed and enforced in accordance with, the laws of Ontario and the laws of Canada applicable in Ontario, excluding any rule or principle of conflicts of law that may provide otherwise. The parties irrevocably attorn to the jurisdiction of the courts of Ontario, which will have non-exclusive jurisdiction over any matter arising out of this agreement.