

On Arbitral Ltd headed notepaper and addressed to the two mediants.

Mediator terms of engagement: in the matter of a mediation between ABC LLP & XYZ LLP (together the "Mediants" or separately a "Mediant") concerning a dispute arising out of an agreement dated **//** (the "Mediation") & the appointment of Grant Jones as the mediator (the "Mediator").**

Dated: 1/2/3

Reference: I II III

Dear Sirs,

Further to our recent discussions, I would be pleased to accept appointment as the Mediator in the Mediation on the following terms.

(A). Introduction.

(I). This letter sets out the terms on which the Mediator regards himself as being appointed as the Mediator, including the scope of the work to be undertaken (the "Scope") and the basis upon which the Mediator's fees and disbursements will be charged.

(II). This letter is addressed to the Mediants and not their legal advisers, on the basis that the Mediants will be very much in control of the Mediation. However it is suggested that the Mediants forward this documentation to their legal advisers.

(B). Scope.

(I). I, Grant Jones, am to be appointed as the Mediator. Whilst I may be qualified as, *inter alia*, a solicitor, a New York attorney and a chartered accountant, this appointment as the Mediator will not constitute the giving of legal or accounting advice. Further, as has been confirmed by the relevant professional bodies, practising as the Mediator does not constitute the practice of law, nor the practice of accountancy. This is regardless of whether the appointment was instigated by, or supported by, any professional body associated with the practice of law or of accountancy. Thus it should be emphasised, the Mediator does not and will not have a solicitor/lawyer-client-relationship with the Mediants.

(II). The Scope of the work is to assist in organising the Mediation, pre-reading of Mediation papers, acting as the Mediator during the Mediation proper and limited post-Mediation follow-up, such as assisting with any subsequent settlement agreement. The Mediants, to the extent that they have not already done so, should take their own legal advice as to the legal nature of the Mediation. The Mediator cannot guarantee a settlement outcome, especially a settlement outcome agreeable to each Mediant.

(C). Retainer.

At any time the Mediator may ask for a retainer by way of prepayment (i.e. a payment on account) if it is considered a prepayment is, in the Mediator's absolute discretion, required. It should be clearly understood that the total fees and disbursements (the total costs) of the Mediation, may exceed any retainer.

(D). Arbitral Ltd ("Arbitral").

The Mediator is the sole director and 100% shareholder of Arbitral, which is VAT registered and will issue the Mediator's invoices. The Mediation contract is therefore with Arbitral.

(E). Staffing.

The Mediator will be the Mediants main point of contact. However the Mediator may call upon secretarial and administrative support, but this support is encompassed within the quoted fee. If however co or joint mediators are required, then specific arrangements will be made for the same.

(F). Fees and disbursements.

- (I). The costs of the Mediation are twofold. Most mediations occur over one, possibly two days, but require pre-reading and subsequent follow-up, possibly by way of settlement drafting.
- (II). The daily rate for the Mediation proper is £2000 plus VAT per day. The hourly rate for pre-reading and subsequent follow-up is £350 plus VAT per hour. The rates are reviewed annually and new rates will be automatically applied to bills after each review.
- (III). Special conditions may apply if there are co or joint mediators.
- (III). Disbursements will be recharged with VAT further added and consequently it is in the best interests of the Mediants if they directly incur the disbursement costs.
- (IV). At this early stage it is difficult to give an accurate estimate of the final fees, given the complexities which might arise. The Mediants however should consider how they wish to run the Mediation with a view to reducing costs.

(G). Billing.

Invoices are payable on presentation and will include fees, disbursements and VAT.

(H). Communications, including electronic mail.

- (I). In order to reduce costs the preferred method of communication is electronic. Ideally all pre-Mediation proper and follow-up post Mediation communications should be via e-mail. If there is a need for a telephone conversation, then a conference call can be arranged via e-mail. As to telephone conference calls, Skype is cost-effective and preferable. My Skype address is, grant.meredith.jones: please feel free to establish me as a Skype contact.
- (II). As it is envisaged that e-mail will be a means of communication, it is understood and accepted by the Mediants that there is no liability for misdirection, interception, corruption or failure of any e-mail communication.

(I). Conflict of interest.

Attention may well have been drawn to any possible conflicts of interest. The Mediants have considered that the same does not preclude my appointment as the Mediator.

(J). Liability.

The Mediants agree that any liability is limited to the amount of fees extended to the Mediator and it is further agreed that this limitation of liability extends to any individual, company, partner, or employees

howsoever associated with the Mediator or with Arbitral; except, that as required by statute or good practice, liability for death and/or personal injury and/or for losses, and liabilities, and costs incurred thereto, and resulting directly from Mediator fraud, but such fraud must be proven to the criminal extent, are not subject to this limitation of liability.

(K). Publicity and further action.

(I). The Mediator may make reference on a no-name-basis to the type and nature of this Mediation, when detailing the Mediator's mediation experience.

(II). The Mediants may not call the Mediator as an expert, nor as a witness in any subsequent proceedings of whatever type or howsoever connected with the Mediation and if such an attempt is made, the relevant Mediant will be liable for the costs thereto on a full indemnity basis.

This letter maybe signed in counterpart. Notwithstanding the failure of any of the Mediants to formally agree these engagement terms, should the Mediation continue, it shall continue on these terms.

Signed and agreed by the Mediator.

Grant Jones.

For and on the behalf of Arbitral Ltd.

Agreed by ABC LLP..... Signatory name in blocks.....
Date.....

Agreed by XYZ LLP..... Signatory name in blocks.....
Date.....