

GEORGE HAY & COMPANY (WESTMINSTER) LLP

TERMS OF BUSINESS

These Terms of Business (updated April 2013) set out the terms on which we are to act for you and should be read in conjunction with our current letter of engagement. All work is carried out under these terms except where changes are expressly agreed in writing.

1 PROFESSIONAL RULES AND PRACTICE GUIDELINES

- 1.1 We will observe and act in accordance with the bye-laws, regulations and ethical guidelines of the Institute of Chartered Accountants in England and Wales and accept instructions to act for you on the basis that we will act in accordance with those guidelines. Copies of these requirements are available for your inspection at our offices.

2 CONFLICTS OF INTEREST, INDEPENDENCE AND CONFIDENTIALITY

- 2.1 You agree that we may reserve the right to act during this engagement for other clients whose interests are or may be adverse to yours. We confirm that we will notify you immediately should we become aware of any conflict of interest to which we are subject in relation to you.
- 2.2 We confirm that where you give us confidential information we shall at all times keep it confidential, except as required by law or as provided for in regulatory, ethical or other professional pronouncements applicable to our engagement.
- 2.3 You agree that it will be sufficient compliance with our duty of confidence for us to take such steps as we in good faith think fit to preserve confidential information both during and after the termination of this engagement.

3 OTHER SERVICES

- 3.1 We will only assist with implementation of our advice if specifically instructed and agreed in writing.
- 3.2 The terms under which we provide our services are dealt with in a separate letter of engagement. We will also agree in a separate letter of engagement the provision of any services relating to investment business advice as defined by the Financial Services and Markets Act 2000.
- 3.3 Although we are not authorised by the Financial Conduct Authority (FCA) to conduct investment business, we are licensed by the Institute of Chartered Accountants in England and Wales to provide certain limited investment services where these are complementary to, or arise out of, the professional services we are providing to you.

In particular, we may:

- advise you on investments generally, but not recommend a particular investment or type of investment;
- refer you to a Permitted Third Party (PTP) (an independent firm authorised by the FCA), assist you and the PTP during the course of any advice given by that party and comment on, or explain, the advice received (but not make alternative recommendations). The PTP will issue you with their own terms and conditions letter, will be remunerated separately for their services and will take full responsibility for compliance with the requirements of the Financial Services and Markets Act 2000;

- advise you in connection with the tax aspects on disposal of an investment, other than your rights in a pension policy or scheme;
- advise and assist you in transactions concerning shares or other securities not quoted on a recognised exchange;
- assist you in making arrangements for transactions in investments in certain circumstances; and
- manage investments or act as nominee or donee of a power of attorney where decisions to invest are taken on the advice of an authorised person.

We may also, on the understanding that the shares or other securities of the company are not publicly traded:

- advise the company, existing or prospective shareholders in relation to exercising rights, taking benefits or share options, valuations and methods of such valuations;
- arrange any agreements in connection with the issue, sale or transfer of the company's shares or other securities;
- arrange for the issue of new shares; and
- act as the addressee to receive confirmation of acceptance of offer documents, etc.

4 QUALITY CONTROL

- 4.1 As part of our ongoing commitment to providing a quality service, our files are periodically subject to an independent quality control review. Our reviewers are highly experienced and professional people and, of course, are bound by the same requirements for confidentiality as our principals and staff.

5 DATA PROTECTION ACT 1998

- 5.1 To enable us to discharge our services, and for other related purposes including updating and enhancing client records, analysis for management purposes and statutory returns, crime prevention and legal and regulatory compliance, we may obtain, use, process and disclose data about the entity or personal data about its officers and employees. You may have a right of access, under the data protection legislation, to the personal data that we hold about the entity, its officers and employees. For the purposes of the Data Protection Act 1998, the Data Controller in relation to personal data supplied about you is Norman Christy.

6 CONTRACTS (RIGHTS OF THIRD PARTIES) ACT 1999

- 6.1 A person who is not party to this Agreement shall have no rights under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of this Agreement. This clause does not affect any right or remedy of any person, which exists or is available otherwise than pursuant to that Act.
- 6.2 The advice, which we give you, is for your sole use and does not constitute advice to any third party to whom you may communicate it unless we have expressly agreed in the letter of engagement that a specified third party may rely on our work. We accept no responsibility to third parties, including any group company to whom the letter of engagement is not addressed for any aspect of our professional services or work that is made available to them.

7 LIMITATION OF LIABILITY

- 7.1 We will provide our professional services with reasonable care and skill. However, to the fullest extent permitted by law, we will not be responsible for any losses, penalties, surcharges, interest or additional tax liabilities arising from the supply by you or others of incorrect or incomplete information, or yours or others' failure to supply any appropriate information or your failure to act on our advice or respond promptly to communications from us.

- 7.2 You agree to hold harmless and indemnify us, our principals and staff, to the fullest extent permitted by law, for any loss suffered by you arising from any misrepresentation (intentional or unintentional) supplied to us orally or in writing in connection with this agreement.

8 APPLICABLE LAW

- 8.1 These Terms of Business, in conjunction with any additional letters of engagement shall be governed by, and construed in accordance with, English law. Each party agrees that the Courts of England shall have exclusive jurisdiction in relation to any claim, dispute or difference concerning these Terms of Business in conjunction with any letter of engagement and any matter arising from it. Each party irrevocably waives any right it may have to object to an action being brought in those Courts, to claim that the action has been brought in an inconvenient forum, or to claim that those Courts do not have jurisdiction.

9 FEES AND COMMISSIONS

- 9.1 Our fees are based upon the degree of responsibility and skill involved, the importance and value of the advice that we provide, the level of risk, and the time necessarily occupied on the work.
- 9.2 Fees are charged separately for each of the main classes of work we perform for you and will be billed at appropriate intervals during the course of the year.
- 9.3 Fees are due for payment within 30 days of the date on the fee note.
- 9.4 We reserve the right to charge interest on overdue accounts at the current rate under the late Payment of Commercial Debts (Interest) Act 1998. We also reserve the right to terminate our engagement and cease acting for you on giving written notice if payment of any fees billed is unduly delayed.
- 9.5 If a client company, LLP, trust, or other entity is unable or unwilling to settle our fees we reserve the right to seek payment from the individual (or parent entity) giving us instructions on behalf of the client and we shall be entitled to enforce any sums due against the group, entity or individual nominated to act for you.
- 9.6 Commissions or other benefits may sometimes become payable to us in respect of introductions to other professionals or transactions we arrange for you, in which case you will be notified in writing of the amount, the terms of payment and receipt of any such commissions or benefits. You consent to such commissions or other benefits being retained by us without our being liable to account to you for any such amounts.
- 9.7 If it becomes necessary for us to make a report to a regulator or public sector body, as a result of any statutory duty imposed upon us by legislation or other regulation, including after our engagement has ended, we reserve the right to charge for work undertaken in accordance with these reporting duties.
- 9.8 If, for any reason it becomes necessary for us to withdraw from the engagement, our fees for work performed up to that date will be payable by you.

10 THE BEST SERVICE

- 10.1 We wish to provide a high quality of service which is both efficient and effective at all times. If at any time you would like to discuss with us how our service to you could be improved or if you are concerned with the service which you are receiving please let us know by telephoning Norman Christy.

- 10.2 We undertake to consider any comments carefully and promptly and to do all we can to explain the position to you. We undertake to do everything reasonable to resolve any problems and if you are still not satisfied you may, of course, take up matters with the Institute of Chartered Accountants in England and Wales (ICAEW).

The Institute of Chartered Accountants in England and Wales
Chartered Accountants Hall
Moorgate Place
London
EC2R 6EA

11 RETENTION OF AND ACCESS TO RECORDS

- 11.1 You have a legal responsibility to retain documents and records relevant to your financial affairs. During the course of our work we will collect information from you and others relevant to your tax and financial affairs. We will return any original documents to you following the completion of the assignment. Documents and records relevant to your affairs are required by law to generally be retained for six years from the end of the accounting period.
- 11.2 Whilst certain documents may legally belong to you, we intend to destroy correspondence and other papers that we store, which are more than seven years old, other than documents which we consider to be of continued significance. If you require retention of any documents for any longer period, you must notify us of that fact in writing.

12 ELECTRONIC COMMUNICATION

- 12.1 Electronic communications are capable of non-receipt, delayed receipt, inadvertent misdirection or interception by third parties and therefore, we do not accept any responsibility for changes made to such communications after their despatch. It may, therefore, be inappropriate to rely on advice contained in an e-mail without obtaining written confirmation of it. As electronic communication is not totally secure, we do not accept responsibility for any errors or problems that may arise through the use of electronic communications and all risk connected with sending sensitive information relating to the entity are borne by you. If you do not agree to accept this risk, you should notify us in writing that e-mail is not an acceptable means of communication, and we will communicate by paper mail, other than where electronic submission is mandatory.
- 12.2 It is the responsibility of the recipient to carry out a virus check on any e-mails and attachments received. However, we do use virus-scanning software to reduce the risk of viruses and similar damaging items being transmitted through e-mails or electronic storage devices.

13 PROVISION OF SERVICES REGULATIONS 2009

- 13.1 In accordance with the disclosure requirements of the Provision of Services Regulations 2009, our professional indemnity insurer is Axis Speciality Europe SE, 60 Great Tower Street, London, EC3R 5AZ . The territorial coverage is worldwide excluding professional business carried out from an office in the United States of America or Canada and excludes any action for a claim bought in any court in the United States of America or Canada.
- 13.2 Details of our audit registration can be viewed at www.auditregister.org.uk for the UK under reference number C003471743 and www.cro.ie/auditors for Ireland, under reference number L003471913. We confirm that we are Statutory Auditors eligible to conduct audits under the Companies Act 2006.

14 CLIENTS' MONEY REGULATIONS

- 14.1 We may, from time to time, hold client money on your behalf. The money will be held in trust in a client bank account, which is segregated from the firm's funds. The account will be operated, and all funds dealt with, in accordance with the Clients' Money Regulations of the Institute of Chartered Accountants in England and Wales. Fees paid by you in advance for professional work to be performed and clearly identifiable as such shall not be regarded as clients' money.
- 14.2 All client monies will be held in an interest-bearing account. To avoid excessive administration, interest will only be paid to you where the amount earned on the balances held on your behalf in any calendar year exceeds £25. If the total sum of money held on your behalf is enough to give rise to a significant amount of interest or is likely to do so, then we will put the money in a designated interest-bearing client bank account and pay the interest to you. Subject to any tax legislation, interest will be paid gross.
- 14.3 We will return monies held on your behalf promptly as soon as there is no longer any reason to retain those funds. If any funds remain in our client account that are unclaimed and the client to which they relate has remained untraced for five years then we may pay those monies to a registered charity.

15 THE PROCEEDS OF CRIME ACT 2002 AND THE MONEY LAUNDERING REGULATIONS 2007

- 15.1 In common with all accountancy and legal practices the firm is required by the Proceeds of Crime Act 2002 and the Money Laundering Regulations 2007 to:
- Maintain identification procedures for clients and beneficial owners of clients;
 - Maintain records of identification evidence and the work undertaken for the client; and
 - Report, in accordance with the relevant legislation and regulations.
- 15.2 We have a duty under section 330 of the Proceeds of Crime Act 2002 to report to the Serious Organised Crime Agency (SOCA) if we know, or have reasonable cause to suspect, that another person is involved in money laundering. Failure on our part to make a report where we have knowledge or reasonable grounds for suspicion would constitute a criminal offence.
- 15.3 The offence of money laundering is defined by section 340(11) of the Proceeds of Crime Act and includes concealing, converting, using or possessing the benefits of any activity that constitutes a criminal offence in the UK. It also includes involvement in any arrangement that facilitates the acquisition, retention, use or control of such a benefit.
- 15.4 We are obliged by law to report any instances of money laundering to SOCA without your knowledge or consent. In consequence, neither the firms' principals nor staff may enter into any correspondence or discussions with you regarding such matters.
- 15.5 We are not required to undertake work for the sole purpose of identifying suspicions of money laundering. We shall fulfil our obligations under the Proceeds of Crime Act 2002 in accordance with the guidance published by the Consultative Committee of Accountancy Bodies.

16 DISENGAGEMENT

- 16.1 Should we resign or be requested to resign we will normally issue a disengagement letter to ensure that our respective responsibilities are clear. This will also assist in ensuring an efficient handover between professional advisers. Should we have no contact with you for a period of one year or more we may issue to your last known address a disengagement letter and hence cease to act.

17 INTERPRETATION

- 17.1 If any provision of our letter of engagement or terms of business is held to be void, then that provision will be deemed not to form part of this contract. In the event of any conflict between these terms of business and the letter of engagement or appendices, the relevant provision in the letter of engagement or schedules will take precedence.