

1 Introduction

1.1 BDO LLP is referred to in these Terms of Business as “the Firm”, “us”, “we” or “our” which, where appropriate, includes our successor and predecessor firms and our staff members. References in these Terms of Business to “you” or “your” are to the persons or entities who are our clients for the Engagement.

1.2 The following definitions are used in these Terms of Business:

“associated BDO entities” means other businesses we are connected with and which include ‘BDO’ in their title.

“Engagement Letter” means the letter and enclosures (including these Terms of Business) sent to you which set out the basis of our contract with you.

“Engagement” means the Services which we provide pursuant to the Engagement Letter.

“Loss” means any loss, damage, costs or interest.

“Services” means the professional services delivered to you that are the subject of the Engagement Letter.

“staff member” means member of the Firm, consultant, employee, director, officer, representative or agent. We (like many other Limited Liability Partnerships) call the members of the Firm “partners” rather than using the legal term “members”. However, legally they are not partners and do not have joint and several personal liability to you. With the exception of liabilities arising from fraud, all liability to you is the sole responsibility of the Firm itself.

1.3 Unless otherwise specifically agreed in the Engagement Letter, the Engagement Letter replaces any previous agreements between us in relation to or in contemplation of the Engagement and shall apply to any future engagements we carry out on your behalf unless varied or replaced. The Engagement Letter (which includes these Terms of Business) constitutes the entire agreement between us. In entering into this Engagement Letter you acknowledge that you have not relied on, and shall have no right or remedy in respect of, any statement, representation, assurance or warranty (whether made negligently or innocently) other than as expressly set out in the Engagement Letter.

2 Fees and invoicing

2.1 Unless otherwise stated in the Engagement Letter, our fees are based on the time required by our staff members to complete the Engagement, which may include travelling time. Time is charged at hourly rates that vary to reflect the degree of skill, responsibility and experience of the relevant individual, as well as the nature, complexity and urgency of the work involved. Hourly charge out rates are modified from time to time in accordance with prevailing market conditions. We will recharge to you any disbursements (such as sub-contractor fees, travel and accommodation expenses) that we incur in undertaking the Engagement.

Whenever appropriate, we will agree a fee budget with you in advance of commencing work. The fee budget is not a commitment to perform the Services within a fixed time or for a fixed fee. The budget will be based on the assumption that we have timely access to the information and personnel that are required to complete the Engagement in a cost effective manner and in accordance with relevant deadlines. We will advise you of delays or unexpected problems as they arise and will estimate their effect on the fee budget (which, in the case of delay occasioned by you or by causes beyond our control and requiring urgent action, may not be known prior to work being undertaken).

2.2 Unless otherwise stated in the Engagement Letter, invoices for fees and disbursements necessarily incurred on your behalf are normally rendered monthly as work progresses and are subject to VAT if applicable. Any queries on invoices must be raised in writing within 7 days of invoice date. We reserve the right to request prepayment of fees and disbursements.

2.3 Invoices are due for payment within 14 days of invoice date in full, in pounds sterling and without any deduction, set off or counterclaim. We reserve the right to charge interest on any outstanding balance thereafter at 2% above the daily base rate of the Firm’s principal bankers.

2.4 We reserve the right to exercise a lien over all documents in our possession relating to the Engagement until all outstanding fees and disbursements are paid in full.

3 Groups

3.1 Where our appointment is by a parent company on behalf of a group or particular group companies, the parent company confirms that these Terms of Business apply to all group entities to which we have been appointed.

3.2 Whilst fee invoices may be addressed to either the parent company or the relevant group company or entity, both parties remain jointly and severally liable until they are settled.

4 Personnel

4.1 We reserve the right to determine which of our staff members are allocated to an Engagement and, where named individuals are not available, we will supply substitutes of equivalent quality and experience. With your agreement, we may also use third parties in performing our services.

5 Non solicitation of personnel

5.1 You will not solicit, or endeavour to solicit, in any way the services of any staff member with whom you have had dealings in connection with the Engagement during the 12 months immediately prior to your approach (except where the staff member responds directly to a general recruitment campaign).

6 Client responsibilities

- 6.1 It is your responsibility to provide us with complete, accurate and timely instructions or information relevant to our Engagement. We will not be responsible for any consequences that may arise from your failure to do so. Such failures may also result in additional fees being charged.
- 6.2 Any opinions and advice will be provided in writing and addressed to you. Our reports, letters, information, opinions and advice should not be used for any purpose other than that for which they were prepared, nor should they be reproduced, referred to in any other document or made available to any third party without our prior written consent. The only exceptions to this requirement are others within your own organisation, your professional advisors acting in such capacity or as required by law, court order or any regulatory or professional body.
- 6.3 No reliance should be placed on any oral advice or representations we may make or any draft reports, unless and until we confirm that advice to you in final form in writing.
- 6.4 Where it is envisaged that reports, letters, information, opinions or advice given by us to you will be provided to or used by a third party we reserve the right to agree with you terms regarding such provision, or to require the third party to enter into a direct relationship with us. Accordingly, neither the Engagement Letter nor any terms we agree with you to allow third parties access to our reports, letters, information or advice are enforceable under the Contract (Rights of Third Parties) Act 1999 by a person who is not a party to it, except where expressly provided for in the Engagement Letter. Unless otherwise agreed in writing, we recognise no responsibility whatsoever other than that owed to you as at the date on which our report or other advice is given.
- 6.5 You will not commit us to provide any opinions, certificates or reports to any third party without our prior written consent. Any such consent will be subject to conditions (to be agreed with you and/or the third party) and may include the provision of an indemnity.
- 6.6 Where information that is or may be relevant to our work has been provided to someone in the Firm other than those individuals who are carrying out the Firm's responsibilities for that work, you accept that knowledge of that information will not automatically be imputed to those individuals.

7 Mode of Instructions

- 7.1 You authorise us to act from time to time on instructions given in any manner (including but not limited to verbal and electronic instructions) in circumstances where we reasonably believe those instructions have emanated from you or any person with authority to act on your behalf.
- 7.2 You understand and acknowledge that the electronic transmission of information via the internet or otherwise has inherent risks (particularly the risk of access by unauthorised parties). Unless otherwise agreed, despite the inherent risks you authorise us to communicate electronically with you and all third parties on all

matters related to the Engagement. Accordingly, you agree that we shall have no liability to you for any Loss arising directly from the use of electronic communications, except where caused by our own negligence.

8 Acquisition or disposal of interests

- 8.1 Where it is proposed that you acquire or dispose of any interest (including in a company, business or other entity), we shall have no responsibility for reviewing the terms of any draft contract or other contractual documentation for such acquisition or disposal, unless we are specifically instructed by you to carry out such a review (in which event we will issue you with a separate letter covering the scope of our work).

9 Confidentiality

- 9.1 "Confidential Information" shall mean any confidential information in any form (including any copies and any document which contains, reflects or is derived from Confidential Information) disclosed by one of us or our employees, officers or advisers to the other (whether before or after the date of the Engagement Letter). Confidential Information does not include any information that: (a) is or subsequently becomes public knowledge (other than as a result of disclosure in breach of paragraph 9.2 below); or (b) was known by the receiving party on a non-confidential basis prior to disclosure; or (c) becomes available to the receiving party on a non-confidential basis from a person who is not bound by obligations of confidence; or (d) you and we agree in writing is not confidential or may be disclosed.
- 9.2 Each of us shall keep the other's Confidential Information confidential and shall not use such Confidential Information except for the purpose of exercising or performing the relevant rights and obligations under the Engagement and shall not disclose any Confidential Information to a third party, except as expressly permitted by this clause. We may disclose your Confidential Information to persons who supply services in relation to, or connected with, the Engagement, on the understanding they will treat that information as confidential. You and we may disclose Confidential Information to the extent required by law, by any governmental or other regulatory authority or by a court or other authority of competent jurisdiction (including relevant professional bodies) provided that, to the extent we both are legally permitted to do so, the disclosing party provides reasonable notice of such disclosure and takes into account the other party's reasonable requests in relation to the content of such disclosure.

10 Conflicts

- 10.1 In accordance with the ethical requirements of the Institute of Chartered Accountants in England and Wales ("ICAEW"), we have put in place procedures to identify situations where conflicts of interest may arise. However, we cannot be certain that our procedures will identify all such situations. If you become aware of any potential conflict affecting our provision of the Services, you will notify us immediately.
- 10.2 Where a conflict of interest is identified and we believe that implementing appropriate procedures can properly

safeguard your interests, we will notify you (subject to any obligations including confidentiality we may owe to third parties), explain the safeguards we have implemented and obtain your consent to their implementation. However, there may be circumstances where we consider that your position cannot be safeguarded and in such circumstances the Services may be terminated.

11 File retention

- 11.1 You agree that we shall have the right to retain copies of documents relating to the Engagement after the Engagement has ended. It is our normal practice to retain documents relating to client engagements for seven years after the end of the relevant Engagement. Thereafter, unless separate arrangements have been made, we may destroy or erase the documents or papers without reference to you.

12 Intellectual property rights and document ownership

- 12.1 We retain all copyright and other intellectual property rights in everything developed by us both before and during the course of the Engagement, including rights in all reports, written advice or other materials provided by us, although the fees you pay us under this Engagement will give you a licence to use these materials for the purposes for which they were created.
- 12.2 All documents in our possession or control, generated by us or addressed to us, relating to the Services shall be our sole property.

13 Data protection

- 13.1 The Firm is notified under the Data Protection Act 1998 ("DPA"). To enable us to provide the Services we will process personal data (including sensitive personal data), as defined by the DPA, in a lawful and fair manner and give the personal data an adequate level of protection. Processing personal data may include making credit and client due diligence checks and retaining the results.
- 13.2 Data Subjects, as defined by the DPA have the right to object to direct mailing and you may withhold (or at any future time withdraw) any consent given by you for this purpose by contacting our Data Protection Officer in writing at our registered office.
- 13.3 If you are a Data Subject and subject to your rights above, as part of our ongoing service your personal data may be provided to associated BDO entities for the purpose of providing additional advice about your financial needs or for processing applications that you have made for products.
- 13.4 If you are a Data Subject, by accepting these Terms of Business: (i) you are giving consent for us to obtain, store and process personal data about you; and (ii) you agree that we may use the personal data we hold about you to contact you from time to time by post, fax, e-mail or telephone to bring to your attention additional products or services (including those provided by associated BDO entities) which we consider may be of benefit to you.

14 Money laundering

- 14.1 We wish to draw your attention to our obligations under the United Kingdom's Anti-money laundering and Counter Terrorist Financing legislation. Money laundering is

defined in the Proceeds of Crime Act 2002. Terrorism and Terrorist Property are defined in the Terrorism Act 2000. Under this legislation we are required to identify you and various persons connected to you. We are also required to keep the identification and verification up to date. We may not undertake the engagement if we are unable to comply with these obligations. The legislation also requires that if we know, suspect or have grounds for suspecting that an individual or entity is engaged in money laundering or financing terrorism, we make a report to the relevant authority. If we fail to make a report we will be committing an offence. Except in exceptional circumstances, it is an offence for us to disclose that we have made a report.

15 Freedom of Information Act

- 15.1 In the event of any request pursuant to the Freedom of Information Act 2000 ("the Act"), that requires you to disclose any information provided to you by us, you will notify us promptly and consult with us before disclosing such information. You agree to pay due regard to any representations that we may make in connection with such disclosure and to apply any relevant exemptions that may exist under the Act to such information. If, following consultation with us, you disclose any such information, you will ensure that any disclaimer that we included or may subsequently wish to include in such information is reproduced in full in any copies disclosed.

16 Provision of specialised services

- 16.1 We may, with your consent (which may be given under the paragraph headed "Data Protection"), refer you to associated BDO entities for the provision of specialised services. They will send you separate engagement letters if you choose to use their services. If you request we may refer you to BDO Investment Management Ltd ("BDOIM"), which is an associated BDO entity, or to independent Permitted Third Parties (as defined in the FSA Handbook) to provide investment business services. BDOIM gives independent advice and is authorised and regulated by the Financial Services Authority. We do not accept any liability for work carried out by BDOIM or by any other Permitted Third Party.
- 16.2 The Firm is authorised and regulated by the Financial Services Authority to conduct certain investment business.

17 Complaints and dispute resolution

- 17.1 If at any time you would like to discuss with us how our service to you could be improved, or if you are dissatisfied with any aspect of the service you are receiving, please let us know by contacting the Engagement partner or the firm's Senior Partner at our registered office.
- 17.2 We undertake to look into any complaint carefully and promptly. You have the right to report any complaint to the Institute of Chartered Accountants in England and Wales.
- 17.3 If the complaint arises out of insurance business regulated by the Financial Services Authority ("FSA") we will deal with your complaint in accordance with our procedures that are compatible with the complaints handling procedures for firms laid down by the FSA in its Handbook of Rules and Guidance. If you are not satisfied

with the outcome of our investigation, you may subsequently complain directly to the Financial Ombudsman Service. If you make a valid claim against us and we are unable to meet our liabilities in full, you may be entitled to redress from the Financial Services Compensation Scheme. Further details will be provided on request. Further information is available from the Financial Ombudsman Service (<http://www.financial-ombudsman.org.uk>) and the Financial Services Compensation Scheme (<http://www.fscs.org.uk>).

18 Staff members

18.1 It is agreed that, for our interest in limiting the personal liability and exposure to litigation of our staff members, you will not bring any claim in respect of any Loss against any of our staff members personally, but this will not limit or exclude the liability of the Firm for the acts or omissions of its staff members. This exclusion shall not apply to fraud. You agree that our staff members may rely upon the Contract (Rights of Third Parties) Act 1999 should they need to enforce this paragraph.

19 International BDO network

19.1 The Firm is a member of the BDO international network. This network comprises independent firms (which use "BDO" as part of their business name) in many countries. These firms are associated BDO entities, but are separate legal entities.

19.2 No associated BDO entity is our agent or partner, and no associated BDO entity has authority to enter into any legal obligations on our behalf. If we introduce you to an associated BDO entity we do not accept any liability for work that they carry out on your behalf and you must make your own contractual arrangements with them directly.

19.3 We are not the agent or partner of any associated BDO entity and we do not have authority to enter into any legal obligations on their behalf.

20 Successor Firm

20.1 If we should merge with another firm or transfer our business to another entity (a "Successor Firm") then our Engagement with you shall not automatically terminate by reason of such merger or transfer. You agree that the Successor Firm is automatically appointed by you so that continuity of service can be provided. Both the Successor Firm and you may rely on the Engagement Letter as setting out the continuing terms of the Engagement. If such transfer requires some official action by you then you will take such steps as are necessary to enable continuity of service. This paragraph does not in any way limit your termination rights as set out in the paragraph headed "Termination".

21 Termination

21.1 Should you fail to pay our invoices or requests for funds on account when they become due we may suspend Services under the Engagement Letter until the invoices have been paid or funds are received. We will give you notice of our intention to suspend Services under the Engagement Letter. Any such notice shall not affect our right to later terminate the Engagement.

21.2 We are not liable for any loss or damage whatsoever incurred by you or any associated entity or third party as a result of any suspension in accordance with this clause.

21.3 With the exception of any engagement where termination rules are prescribed by legislation or professional obligations, or where either of us becomes the subject of insolvency proceedings or calls any meeting of its creditors (in which case we each may terminate without notice) the Engagement may be terminated by you or us upon the expiry of 14 days written notice to the other. Notice will be deemed served 24 hours after the notice has been sent. We will be entitled to receive payment for all time and costs incurred up to the date of termination.

21.4 If we have grounds to suspect that it would be unlawful (under the laws of any part of the United Kingdom or under the laws of the jurisdiction where the relevant act would take place) to undertake all or part of the Engagement, we may without notice and at our unfettered discretion, delay all of the Engagement, delay part of the Engagement or terminate the Engagement.

22 Force Majeure

22.1 We will not be liable for any delays or failures in performance or breach of contract due to events or circumstances beyond our reasonable control, including acts of God, war, acts by governments and regulators, acts of terrorism, accident, fire, flood or storm or civil disturbance.

23 Severability

23.1 In the event that any part of these Terms of Business and the Engagement Letter of which they form part is held to be invalid or unenforceable, the remainder will continue in full force and effect.

24 Governing law and jurisdiction

24.1 These Terms of Business and the Engagement Letter of which they form a part and any dispute or claim arising out of or in connection with them or their subject matter or formation (including non-contractual disputes or claims) shall be governed by and construed in accordance with the laws of England and Wales.

24.2 You and the Firm irrevocably agree that the courts of England and Wales shall have exclusive jurisdiction to settle any dispute or claim that arises out of or in connection with the Engagement Letter or their subject matter or formation (including non-contractual disputes or claims).