

The Leaman Partnership LLP Terms and Conditions

(revised 8 October 2004)

The following standard terms of business apply to all engagements accepted by The Leaman Partnership LLP. All work carried out is subject to these terms except where changes are expressly agreed in writing.

1 Professional obligations

- 1.1 We will observe the byelaws, 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 inspection in our offices.
- 1.2 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 this engagement.
- 1.3 We reserve the right to act during this engagement for other clients whose interests may be adverse to yours. We will notify you immediately should we become aware of any conflict of interest to which we are subject in relation to you.

2 Investment services

- 2.1 We are an independent professional firm and are licensed by the Institute of Chartered Accountants in England and Wales to provide certain investment services where these are complementary to or arise out of the professional services we are providing. As such, we are subject to its investment business regulations when we provide investment business services to you.
- 2.2 Should you require any specific investment advice we may introduce you to a permitted third party (PTP) that is authorised by the Financial Services Authority.
- 2.3 Should you require us to assist in arranging any of your investment business with a PTP, the PTP will take full responsibility for all aspects of compliance under any regulations required by the Financial Services and Markets Act 2000. We will act solely as introducers but we may comment on any advice given by the PTP to you if you so wish, although we are not authorised to offer alternative advice.
- 2.4 As a result of introducing you to a PTP we may receive commission or other benefits from the PTP. In the event of our receiving any such commission or benefits please see the following section.

3 Commission

- 3.1 In some circumstances, commissions or other benefits may become payable to us, or to one of our associates, in respect of transactions which we, or such associates, arrange for you, in which case you will be notified in writing of the amount and terms of payment. It is not our policy to accept commissions and we will rebate to you any amounts received. You consent to such commission or other benefits being retained by our associates, without our or their being liable to account to you for such amounts.

4 Client monies

- 4.1 We may, from time to time, hold money on your behalf. Such 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.

4.2 In order to avoid an excessive amount of administration, interest will only be paid to you where the amount of interest that would be earned on the balances held on your behalf in any calendar year exceeds £25. Any such interest would be calculated using the prevailing rate applied by Lloyds Bank plc for small deposits subject to the minimum period of notice for withdrawals. Subject to any tax legislation, interest will be paid gross.

4.3 If the total sum of money held on your behalf exceeds £10,000 for a period of more than 30 days, or such sum is likely to be held for more than 30 days, then the money will be placed in a separate interest-bearing client bank account designated to you. All interest earned on such money will be paid to you. Subject to any tax legislation, interest will be paid gross.

5 Fees

5.1 Unless otherwise agreed in writing our fees are computed on the basis of time spent on your affairs by the principals and our staff including unqualified staff and consultants working under our supervision, and on the levels of skill and responsibility involved.

5.2 If it is necessary to carry out work outside the responsibilities outlined in this letter it will involve additional fees. Accordingly we would like to point out that it is in your interests to ensure that your records etc. are completed to the agreed stage.

5.3 Our terms relating to payment of amounts invoiced and not covered by standing orders, where appropriate, are strictly 14 days net. Interest and compensation for recovery costs may be charged on all overdue debts at the rate applicable under the Late Payment of Commercial Debts (Interest) Act 1998. We also reserve the right to terminate our engagement and cease acting if fees payment of any fees billed is unduly delayed. However, it is not our intention to use these rights in a way which is unfair or unreasonable.

5.4 We will add value added tax, if applicable, at the current rate, to the invoice.

5.5 A schedule of our hourly rates currently applicable is available on request.

6 Retention of and access to records

6.1 During the course of our work we will collect information from you and others acting on your behalf and will return any original documents to you following the preparation and audit of your financial statements and returns. You should retain these records for at least seven years from the end of the accounting year to which they relate.

6.2 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 continuing significance. If you require retention of any document you must notify us of that fact in writing.

7 Quality control

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

7 Help us to give you the right service

7.1 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 the service you are receiving, please let us know, by telephoning Stuart Leaman or Derek Fieldman.

7.2 We undertake to look into any complaint carefully and promptly and to do all we can to explain the position to you. If you feel that we have given you a less than satisfactory service, we undertake to do everything reasonable to address your concerns. If you are still not satisfied, you may of course take up matters with The Institute of Chartered Accountants in England and Wales.

7.3 Section 2 covers investment advice. In this respect and in the unlikely event that we cannot meet our liabilities to you, you may be able to claim compensation under the Chartered Accountants' Compensation Scheme.

8 Applicable law

8.1 This engagement letter is governed by, and construed in accordance with English law. The Courts of England will have exclusive jurisdiction in relation to any claim, dispute or difference concerning this engagement letter and any matter arising from it. Each party irrevocably waives any right it may have to object to any action being brought in those courts, to claim that the action has been brought in an inappropriate forum, or to claim that those courts do not have jurisdiction.

9 Internet communication

9.1 Internet communications are capable of data corruption 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. We do not accept responsibility for any errors or problems that may arise through the use of internet communication and all risks connected with sending commercially sensitive information relating to your business 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.

9.2 It is the responsibility of the recipient to carry out a virus check on any attachments received.

10 Data Protection Act 1998

10.1 We may obtain, use, process and disclose personal data about you in order that we may discharge the services agreed under this engagement letter, 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. You have a right of access, under data protection legislation, to the personal data that we hold about you. We confirm that when processing data on your behalf we will comply with the provisions of the Data Protection Act 1998. For the purposes of the Data Protection Act 1998, the Data Controller in relation to personal data supplied about you is Stuart Leaman.

11 Contracts (Rights of Third Parties) Act 1999

11.1 Persons who are 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.

11.2 The advice that we give to you is for your sole use and does not constitute advice to any third party to whom you may communicate it. We accept no responsibility to third parties for any aspect of our professional services or work that is made available to them.

12 Money laundering

12.1 We have a duty under s. 330 of the Proceeds of Crime Act 2002 to report to the National Criminal Intelligence Service (NCIS) if we know, or have reasonable cause to suspect, that you, or anyone connected with your business, are or have been 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.

12.2 The offence of money laundering is defined by s. 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.

This definition is very wide and would include such crimes as:

- deliberate tax evasion;
- deliberate failure to inform the tax authorities of known underpayments or excessive repayments;
- fraudulent claiming of benefits or grants; or
- obtaining a contract through bribery.

Clearly this list is by no means an exhaustive.

- 12.3 We are obliged by law to report any instances of money laundering to NCIS without your knowledge or consent. In fact, we may commit the criminal offence of tipping off under s. 333 of the Proceeds of Crime Act if we were to inform you that a report had been made. In consequence, neither the firms' principals nor staff may enter into any correspondence or discussions with you regarding such matters.
- 12.4 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 Institute of Chartered Accountants in England and Wales.

13 Limitation of liability

- 13.1 We will provide our professional services with reasonable care and skill. However, we will not be held responsible for any losses arising from the supply by you or others of incorrect or incomplete information, or your or others' failure to supply any appropriate information or your failure to act on our advice or respond promptly to communications from us or other relevant authorities.
- 13.2 You agree to hold harmless and indemnify us against any misrepresentation, whether intentional or unintentional, supplied to us orally or in writing in connection with this agreement. You have agreed that you will not bring any claim in connection with services provided to you by the firm against any of our employees on a personal basis.
- 13.3 From time to time initial advice may be given orally. No decision should be made (by you) on the matter until you have received and considered our detailed and specific advice in writing.