

ENGAGEMENT LETTER APPENDIX – GENERAL TERMS AND CONDITIONS (AUGUST 2010)

ICAEW DPB LICENSED FIRMS only

ENGAGEMENT FOR SERVICES

This Appendix sets out our general terms and conditions.

ETHICAL AND PRACTICE GUIDELINES

We will observe the ethical guidelines of the Institute of Chartered Accountants in England and Wales, especially the ICAEW's Code of Ethics which can be found at www.icaew.com, and accept instructions to act for you on the basis that we will act in accordance with those guidelines.

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.

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.

We will only supply information to a third party on authority and similarly, if information supplied by us is to be disclosed to a third party, then express prior written permission must be obtained from us.

FEES

Our fees will be agreed in advance of the work or computed on the basis of time spent on your affairs by the principals and staff and on the levels of skill and responsibility involved at the charge out rates prevailing at the time. A note of our charges and disbursements will normally be rendered at monthly or other appropriate intervals and will be due for payment within 14 days. In the event of non-payment by business and corporate clients, we reserve the right to claim compensation and statutory interest on debts that become overdue in accordance with the Late Payment of Commercial Debts (Interest) Act 1998 and the Late Payment of Commercial Debts Regulations 2002. For all other clients, in the event of non-payment we shall charge interest at 2% over National Westminster Bank base rate for the time being. In addition we reserve the right not to undertake further work on your behalf and in this event you will be advised in writing.

In the event of us ceasing to act in relation to your affairs you agree to meet all reasonable costs of providing information to your new advisors. In particular you agree to meet these costs even where we are required by law to provide information to a successor firm.

OTHER SERVICES

The Haines Watts Group consists of all firms in which Haines Watts Limited is a partner, member or shareholder, or with whom they have signed a participation agreement, or firms controlled by such firms. We are able to provide additional services through our specialist departments and associated firms. The nature and scope of any services provided will be the subject of a separate letter of engagement issued by the relevant entity.

QUALITY CONTROL AND CONFIDENTIALITY

As part of our ongoing commitment to providing a quality service, our files are periodically subject to an independent quality review. In addition, as part of the service we provide, we may pass information to our associated firms and on occasion we may subcontract work to other entities with whom we have

an association. Both our reviewers and those who work within the entities with whom we have an association are highly experienced and professional people and are, of course, bound by the same requirements for confidentiality as our principals and staff.

We may acquire sensitive information concerning your business or affairs in the course of delivering the professional services ("Confidential Information"). In relation to Confidential Information we shall comply with the confidentiality standards of our regulatory body, the Institute of Chartered Accountants in England & Wales and we shall adhere to the confidentiality restrictions imposed on us by any other authority in the United Kingdom with whose requirements we are bound to comply, as well as any obligations imposed on us by English law. We shall be entitled to comply with any requirement of English law, of our regulatory body or any other authority in the United Kingdom with whose requirements we are bound to comply to disclose Confidential Information. This clause shall not apply where Confidential Information properly enters the public domain. This clause shall not prohibit our disclosure of Confidential Information where we wish to disclose it to our professional indemnity insurers or advisers, in which event we may do so in confidence only.

In the course of the services we supply you, we will obtain, use, process and (in appropriate cases and with your consent) disclose, personal data about you and your personnel. The firm is registered under the Data Protection Act 1998. Under the provisions of that Act anyone has a legal right of access to the personal data that is held about them. Any personal or financial information you provide us with may be used by us, and where applicable our associated firms for their purposes, and to send information, leaflets, offers and promotions which may be of interest to you and/or your personnel.

By agreeing this Engagement Letter you confirm that you consent, and where applicable have obtained consent, to the storage, processing and sharing of the information in the above manner. If at any time anyone wishes us to ensure that they are no longer contacted for any or all of these purposes they can write to us requesting us to remove their details.

OWNERSHIP

We shall retain ownership of the copyright and all other intellectual property rights in the product of the professional services, whether oral or tangible, and ownership of our working papers. You shall acquire ownership of any product of the professional services in its tangible form on payment of our fees for any such product. For the purposes of delivering services to you or other clients, we shall be entitled to use, develop or share knowledge, experience and skills of general application gained through performing our professional services.

CONFLICTS OF INTEREST AND INDEPENDENCE

We reserve the right during our engagement with you to deliver services to other clients whose interests might compete with yours or are or may be adverse to yours. We confirm that we will notify you immediately should we become aware of any conflict of interest involving us and affecting you. If a conflict of interest should arise, either between two or more of our clients, or in the provision of multiple services to a single client, we will take such steps as are necessary to deal with the conflict. In resolving the conflict we would be guided by the Code of Ethics of The Institute of Chartered Accountants in England and Wales which can be viewed at www.icaew.com.

HELP US TO GIVE YOU THE BEST SERVICE

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, we hope that you will bring your concern to our attention.

We undertake to investigate any complaint carefully and promptly, and to take the appropriate action to resolve the matter and fully discuss the position with you.

In the first instance, we recommend that you discuss any problems with the person generally responsible for handling your affairs. If you prefer, please contact the senior principal of the firm or, if he/she is acting as engagement principal, another principal of the firm who will review matters and report back to you.

If, in exceptional circumstances, we do not answer your complaint to your satisfaction, you have the right to take the matter up with our governing body, the Institute of Chartered Accountants in England & Wales.

YOUR RESPONSIBILITIES

Notwithstanding our duties and responsibilities in relation to our professional services, you shall retain responsibility and accountability for:

- the management, conduct and operation of your business and / or your affairs;
- deciding on your use of, choosing to what extent you wish to rely on, or implementing advice or recommendations or other product of our professional services supplied by us;
- making any decision affecting our professional services, any product of our professional services, your interests or your affairs;
- the delivery, achievement or realisation of any benefits directly or indirectly related to our professional services which require implementation by you.

Where you require us or the nature of our professional services is such that it is likely to be more efficient for us to perform work at your premises or using your computer systems or telephone networks, you shall ensure that all arrangements are made for access, security procedures, virus checks, facilities, licences or consents as may be required (without cost to us).

You shall not, directly or indirectly, solicit the employment of any of our principals or employees, as the case may be, involved in performing our professional services while the professional services are being performed or for a period of 3 months following their completion or following termination of this agreement, without our prior written consent. This prohibition shall not prevent you at any time from running recruitment advertising campaigns nor from offering employment to any of our principals or employees, as the case may be, who may respond to any such campaign.

INVESTMENT BUSINESS SERVICES

We may, in the course of the professional services set out in this Engagement Letter, assist you with regard to investment business activities.

Although this firm is not authorised by the Financial Services Authority to conduct investment business, we are licensed by the Institute of Chartered Accountants in England & 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, being an Independent Financial Adviser, authorised and regulated by the Financial Services Authority;
- advise you in connection with the 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 trustee (or donee of a power of attorney) where decisions to invest are taken on the advice of an authorised person.

In addition, for corporate clients, on the understanding that its shares or other securities are not publicly traded, we may also:

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

It is however Haines Watts Group policy to refer most investment business, excluding corporate finance work, to Independent Financial Advisers, authorised and regulated by the Financial Services Authority. If requested, we will assist you with a general introduction to an Independent Financial Adviser, and you consent for us, if required, to disclose and pass relevant data to them in order to assist them making their recommendations to you. We will not review or comment on advice given; the Independent Financial Adviser taking full responsibility for compliance with the requirements of the Financial Services and Markets Act 2000.

Although we are not authorised by the Financial Services Authority, we are included on the register maintained by them so that we can carry on insurance mediation activity, which is broadly the advising on, selling and administration of insurance contracts. This part of our business, including arrangements for complaints or redress if something goes wrong, is regulated by The Institute of Chartered Accountants in England and Wales. The register can be accessed via the Financial Services Authority website at www.fsa.gov.uk/register.

For investor protection, the Institute of Chartered Accountants in England and Wales administer, and we contribute to, a compensation scheme for clients who might need to seek redress.

COMMISSIONS

In some circumstances, commissions or other benefits may become payable to us or to one of our associates in respect of introductions or transactions that have been arranged, in which case, you will be notified in writing of the amount and terms of payment. You consent to such commissions or other benefit being retained by us or, as the case may be, by our associates, without our, or their, being liable to account to you for any such amounts.

CLIENT MONIES

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.

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 National Westminster Bank for small deposits subject to the minimum period of notice for withdrawals. Subject to any tax legislation, interest will be paid gross.

ELECTRONIC COMMUNICATION

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.

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

RETENTION OF RECORDS AND FILE DESTRUCTION

During the course of our work, we will collect information from you and others acting on your behalf. Whilst certain documents may legally belong to you, unless these are collected beforehand, we intend to destroy correspondence and other papers that we store which are more than seven years old, other than documents which we think may be of continuing significance.

PREVENTION OF MONEY LAUNDERING

In common with all accountancy and legal practices, we are required by the Proceeds of Crime Act 2002 and the Money Laundering Regulations 2007 to:

- maintain customer due diligence procedures for all clients;
- maintain records of identification evidence and the work undertaken;
- report, in accordance with the relevant legislation and regulations, to the Serious Organised Crime Agency (SOCA).

Under the provisions of Part 7 of The Proceeds of Crime Act 2002, we will be required to make a report to SOCA where, in the course of our business, we know or suspect or have reasonable grounds for knowing or suspecting that any client has, by whatever means, acquired criminal proceeds through conduct which constitutes an offence in the United Kingdom or would constitute an offence if committed there. It is not our practice to inform you when such a disclosure is made or the reasons for it because of the restrictions imposed by the 'tipping off' provisions of the legislation.

CIRCUMSTANCES BEYOND YOUR OR OUR CONTROL

Neither of us shall be in breach of our contractual obligations nor shall either of us incur any liability to the other if we or you are unable to comply with the Engagement Letter as a result of any cause beyond our or your reasonable control. In the event of any such occurrence affecting one of us, that one shall be obliged as soon as reasonably practicable to notify the other, who shall have the option of suspending or terminating the operation of the Engagement Letter on notice taking effect immediately on delivery.

TERMINATION

Each of us can terminate the Engagement Letter or suspend its operation by giving 30 days' prior notice in writing to the other at any time. Termination or suspension under this clause shall be without prejudice to any rights that may have accrued for either of us before termination or suspension and all sums due to us shall become payable in full when termination or suspension takes effect.

CAPACITY

You agree to and accept the provisions of the Engagement Letter on your own behalf and as agent for any other beneficiaries. You shall procure in such circumstances that any other beneficiaries shall act on the basis that they are a party to the Engagement Letter, as if they had each signed a copy of the Engagement Letter and agreed to be bound by it. However, you alone shall be responsible for payment of our charges.

SOLE RECOURSE

You accept that all advice received by you during the course of any engagement is provided to you by the specific Haines Watts Group firm referred to on this letterhead and you agree that in the event of any default arising that your sole recourse is against that particular firm and not any third party (including but not limited to any other firm, LLP, partner, member, company, director, shareholder or employee in the Haines Watts group and/or the individual who may have advised you during the course of an engagement). For the purpose of this clause, any third party (including but not limited to firms, LLPs, partners, members, companies, directors, shareholders or employee in the Haines Watts group and/or employees or consultants of this particular firm) will be entitled to exercise their rights to enforce the terms of this clause under the Contracts (Rights of Third Parties) Act 1999.

GOVERNING LAW AND JURISDICTION

Subject to the last sentence of the paragraph above entitled "Sole Recourse", 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.

Any 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. We accept no responsibility to third parties for any aspects of our professional services or work that is made available to them.

This Engagement Letter shall be governed by and construed in accordance with English Law. The Courts of England shall have exclusive jurisdiction in relation to any claim, dispute or difference concerning the Engagement Letter 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.

WAIVER AND ASSIGNMENT

Failure by any one of us to exercise or enforce any rights available to us shall not amount to a waiver of any rights available to either of us.

You shall not have the right to assign the benefit (or transfer the burden) of the Engagement Letter to another party without our written consent.

THIRD PARTIES

If you breach any of your obligations under the Engagement Letter and there is any claim made or threatened against us by a third party, you shall compensate us and reimburse us for and protect us

against any loss, damage, expense or liability incurred by us which results from or arises from or is connected with any such breach and any such claim. If any payment is made by you under this clause you shall not seek recovery of that payment from us at any time.

NOTICES

Any notice to you or us delivered under the Engagement Letter shall be in writing and delivered by pre-paid first class post (or pre-paid overseas equivalent) to or left at our respective addresses appearing in the Engagement Letter (or such other address as may be notified in writing). Notices delivered by post shall be deemed to have arrived

- where posted from and to addresses in the UK, on the second working day and
- where posted from or to addresses overseas, on the tenth working day following the date of posting.

AGREEMENT OF TERMS

If any term in or part of this Engagement Letter shall, in whole or in part be held to any extent to be unenforceable for any reason, then that term (or part of it) shall to that extent be deemed not to form part of the Engagement Letter. The enforceability of the remainder of the Engagement Letter shall not be affected by the unenforceability of that term or part.

This Engagement Letter, once signed, will remain effective until it is cancelled or superseded in writing. Where it proves necessary to amend the terms of this Engagement Letter because of legislation or other changes a revised Engagement Letter will be sent incorporating the changes. These changes will be regarded as supplementary to the terms of this Engagement Letter and will on issue form an integral part thereof and will from the date of issue be effective until this Engagement Letter is cancelled or superseded in writing.

The continuing validity of this agreement will not be affected by any change in the principals of the firm.