

TOTAL ACCOUNTING SOLUTIONS LIMITED (TASL) TERMS OF BUSINESS (February 2012)

The following terms of business apply to all engagements accepted by TASL. All work is carried out under these terms except where changes are expressly agreed in writing.

1.0 Professional rules and practice guidelines

1.1 We will observe the bye-laws, regulations and ethical guidelines of the Institute of Chartered Accountants in England and Wales and accept instructions to provide services to you on the basis that we will act in accordance with them. You can see copies of these requirements in our offices. The requirements are also available on the internet at www.icaew.com/membershandbook

2.0 Investment services

2.1 Although we are not authorised by the Financial Services Authority to conduct Investment Business, we are licensed by the ICAEW to provide certain limited investment services where these are complementary to, or arise out of, the professional services we are providing to you.

2.2 In particular, we may:

- (a) advise you on investments generally, but not recommend a particular investment or type of investment;
- (b) refer you to an Authorised Third Party (ATP) (an independent firm authorised by the FSA), assist you and the authorised third party during the course of any advice given by that party and comment on, or explain, the advice received (but not make alternative recommendations). The ATP will issue you with his own terms and conditions letter, will be remunerated separately for his services and will take full responsibility for compliance with the requirements of the Financial Services and Markets Act 2000. The firm may receive commission from such an introduction, in which case you will be fully informed of the expected size and nature of such commission at the time of the introduction.
- (c) assist you in making arrangements for transactions in investments in certain circumstances;
- (d) advise and assist you in transactions concerning shares or other securities not quoted on a recognised exchange; and
- (e) 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

2.3 Where our clients are companies, we may also, on the understanding that the shares or other securities of the company are not publicly traded:

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

2.4 If you are dissatisfied in any way about our services described in this section, you should follow the procedures set out in the 'Help us to give you the right service' section of this letter and, if 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.

3.0 Commissions or other benefits

3.1 In some circumstances we may receive commissions or other benefits for introductions to other professionals or transactions we arrange for you. In this case, we will notify you in writing of the amount, the terms of payment and receipt of any such commissions or benefits. The fees you would otherwise pay as described below will not be reduced by such amounts. You agree that we can retain the commission or other benefits without being liable to account to you for any such amounts.

4.0 Clients' money regulations

4.1 We may, from time to time, hold 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.

4.2 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 £25.00. 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.

5.0 Retention of records

5.1 During our work we will collect information from you and others acting on your behalf and will return any original documents to you following completion of our work. You should retain them for 6 years from the 31 January following the end of the accounting tax year. You should retain them for longer if HM Revenue & Customs enquire into your tax return.

5.2 Whilst certain documents may legally belong to you, unless you tell us not to, we intend to destroy correspondence and other papers that are more than seven years old, except documents we think may be of continuing significance. You must inform us in writing if you wish us to keep any document for any longer period.

6.0 Conflict of Interest

6.1 As you are aware, we provide accounting, and related services to a number of clients in various business sectors. We do not anticipate any conflict of interest but it is possible that a client may in future have matter in conflict with you.

6.2 We undertake to provide services to you on the basis and undertaking that it will and not be deemed to preclude us from servicing our other clients from time to time. We will in any event comply with our professional obligations in relation to conflicts of interest. In the event of any conflicting duties or interests arising, we shall to the extent permitted by law and the ethical guidelines of the Institute be entitled to adopt our standard practices and procedures including if appropriate those commonly known as chinese walls, in order to manage such potential conflicts of interests or duties as may arise.

6.3 We reserve the right to cease to act on a particular matter in the event that a conflict of interest has arisen or is likely to arise, which in our opinion makes it inadvisable to continue acting.

7.0 Confidentiality

7.1 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 statements relevant to our engagement.

8.0 Data Protection Act 1998

8.1 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 consent to our use and processing of such personal data. You have a right of access, under data protection legislation, to the personal data that we hold about you. For the purposes of the Data Protection Act 1998, the Data Controller in relation to personal data supplied about you is the Firm but Alison Whitehouse is the Data Protection Officer and Director in charge of such data.

8.2 Sections 11 and 12 of the Data Protection Act 1998 place express obligations on you as a data controller where we as a data processor undertake the processing of personal data on your behalf on the terms of a written agreement. We therefore confirm that we will at all times comply with the terms of such agreement (if any) when processing data on your behalf. In particular we confirm that we have adequate organisational and security measures as required by that Act.

8.3 You confirm that you will obtain all relevant consents from the relevant data subjects in connection with any personal data supplied to us for processing, comply with the Data Protection Act 1998 in all respects and indemnify us for any loss suffered as a result of your non compliance.

9.0 Proceeds of Crime Act 2002 and Money Laundering Regulations 2003

9.1 In common with all accountancy and legal practices the firm is required by the Proceeds of Crime Act 2002 and the Money Laundering Regulations 2003 to:

- a) Maintain identification procedures for all new clients;
- b) Maintain records of identification evidence obtained; and
- c) Report, in accordance with the relevant legislation and regulations.

9.2 We have a duty under s. 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 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.

9.3 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.

9.4 We are obliged by law to report any instances of money laundering to SOCA 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.

9.5 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 Institute of Chartered Accountants in England and Wales.

10.0 Quality control

10.1 As part of our ongoing commitment to providing a quality service, our files are periodically reviewed by an independent regulatory or quality control body. These reviewers are highly experienced and professional people and, of course, are bound by the same rules for confidentiality as our principals and staff.

11.0 Help us give you the best service

11.1 We wish to provide a high quality of service at all times. If at any time you would like to discuss with us how we could improve our service, or if you are dissatisfied with the service you are receiving please let us know by contacting Alison Whitehouse.

11.2 We will look into any complaint carefully and promptly and do all we can to explain the position to you. If we have given you a less than satisfactory service, we undertake to do everything reasonable to put it right. If you are still not satisfied you may of course refer the matter to our Institute.

12.0 Contracts (Rights of Third Parties) Act 1999

12.1 Only someone who is a party to this agreement has the right under the Contracts (Rights of Third Parties) Act 1999 to enforce any of its terms. This clause does not affect any right or remedy that exists independently of the Act.

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

12.3 Any advice provided by us may not be disclosed (in whole or in part) or publicly referred to without our prior written consent.

13.0 Fees

13.1 Our fees are usually calculated on the basis of the time spent on your affairs by the principals and staff and on the levels of skill or responsibility involved. Our fees will usually be billed monthly, together with outlays and VAT if applicable, and our invoices will be due for payment when issued.

13.2 If we need to do work outside the responsibilities outlined in our engagement letter, we will advise you in advance. This will involve additional fees.

13.3 Invoices are payable in full on presentation. We reserve the right to charge interest at the rate of 2% on above Barclays Bank Plc base rate from time to time in force for late payment on all amounts outstanding more than thirty (30) days after the date of invoice.

13.4 We reserve the right to cease acting and/or terminate our engagement if our fee remains unpaid or unduly delayed.

14.0 Electronic communication

14.1 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 is 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.

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

15.0 Lien and Unpaid Fees

15.1 All original and copy documents relating to your affairs which belong to you shall be held by us and returned to you in accordance with the provisions of this Letter. Notwithstanding the foregoing, we shall have a lien on all such documents and materials in our possession as security for payment of all amounts owed to us in fees for services at the relevant date whether under this letter or otherwise.

15.2 We reserve the right to apply any monies held or received on your behalf (or on behalf of a Company Group member) in or towards discharge of any outstanding amount due to us. This is in addition to our right where our fees are unpaid, to exercise a lien over all deeds, documents and other property of yours in our possession.

16.0 Indemnity

16.1 You agree to indemnify and keep us indemnified from and against any and all losses, claims, damages, obligations, penalties, judgements, awards, costs, expenses and liabilities (or actions, suits, proceedings or investigations) which we may suffer or incur or which may be made against us relating to or arising directly or indirectly out of:

- (a) our provision of services to you and any untrue statement or alleged untrue statement made by you;
- (b) costs and expenses incurred by us in connection with any challenge to jurisdiction or forum by you in breach of the terms of this letter;
- (c) costs and expenses incurred by us or on our behalf in investigating, preparing or defending any claim from third parties as a result of your action or enforcing any judgement against you;
- (d) any omissions or alleged omissions from any information provided to us; and

you will reimburse us for all such related costs, expenses and disbursements. Neither the termination of this agreement nor the completion of the services will affect these indemnity provisions.

17.0 Joint and Several Liability

Where you, the client is more than one person or a partnership, each such person shall be jointly and severally responsible for all sums due to us.

18.0 The provisions of services regulations 2009

Our professional indemnity insurer is Hiscox Underwriting Ltd, of 1 Great St Helens, London EC3A 6HX. 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 brought in any court in the United States or Canada.

19.0 Applicable law

Our engagement with you is governed by, and interpreted in accordance with, English law. The Courts of England shall have exclusive jurisdiction in relation to any claim, dispute or difference concerning our engagement letter and terms of business and any matter arising from or under them. 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 inconvenient forum, or to claim that those courts do not have jurisdiction.