

STANDARD TERMS OF BUSINESS

The following standard terms of business apply to all engagements accepted by **Parkhurst Hill and Parkhurst Hill Limited**. All work carried out is subject to these terms except where changes are expressly agreed in writing.

1 Professional obligations

- 1.1 Details of the firms' professional registrations can be found at www.parkhurst-hill.co.uk under Provision of Services Regulations disclosures.
- 1.2 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 this basis. In particular you give us authority to correct errors made by H M Revenue & Customs where we become aware of them. We will not be liable for any loss, damage or cost arising from our compliance with statutory or regulatory obligations.

Professional indemnity insurance

- 1.3 In accordance with the disclosure requirements of the Provision of Services Regulations 2009, our professional indemnity insurer is Lockton Companies LLP of North Quay, Temple Back, Bristol BS1 6FL. 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 of America or Canada.

2 Investment services

- 2.1 Since we are not authorised by the Financial Services Authority (FSA) to conduct investment business, we 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 to you.

- 2.2 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 FSA), 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 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. In the first instance, unless you specify otherwise, we would refer you to Parkhurst Hill Financial Planning Limited trading as Keith Lowden & Associates. The Partners in Parkhurst Hill have a financial interest in Parkhurst Hill Financial Planning Ltd but it operates as a completely separate business to our accountancy practice.

Any work done for you by Parkhurst Hill Financial Planning Ltd will be conducted under separate Terms of Business. The work will be carried out by suitably qualified and experienced Independent Financial Advisers, all of whom are authorised to give investment advice by the FSA. Parkhurst Hill Financial Planning Ltd is an Appointed Representative of Financial Limited which is regulated by the FSA. The advice given by Parkhurst Hill Financial Planning Ltd is governed by the FSA. It is also covered by Financial Limited's indemnity insurance which meets all the requirements laid down by the FSA.

- 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.
- 2.3 Where you are a shareholder in a close private company, we may also:
- 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.

- 2.4 In the unlikely event we cannot meet our liabilities to you, you may be able to claim compensation under the Chartered Accountants' Compensation Scheme in respect of exempt regulated activities undertaken.

- 2.5 We are not authorised by the Financial Services Authority. However, we are included on the Register maintained by the Financial Services Authority 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.

Financial promotions

- 2.6 To enable us to provide you with a proper service, there may be occasions when we will need to contact you without your express permission concerning investment business matters. For example, it may be in your interests to sell a particular investment and we would wish to inform you of this. We may therefore contact you in such circumstances, but would only do so during our normal office hours. We shall of course comply with any restrictions you may wish to impose which you notify to us in writing.

2 Commissions and other benefits

- 3.1 In some circumstances, commissions or other benefits may become payable to us or to our associates in respect of transactions we or our associates arrange for you, in which case you will be notified in writing of the amount and terms of payment. You consent to such commission or other benefits 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.

- 3.2 This consent will apply only to commission received from other PTPs since we do not receive commission from Parkhurst Hill Financial Planning Ltd.

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 NatWest 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 is enough to give rise to a significant amount of interest or is likely to do so, 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 net.

- 4.4 In the unlikely event of us holding any unclaimed monies we reserve the right to pay such monies to a registered charity in line with the guidelines set out in the Clients' Money Regulations referred to above. We will not do this unless we have been unable to contact you for at least 5 years and we have taken reasonable steps to trace you and return the monies.

5 Fees

- 5.1 Our fees are computed on the basis of time spent on your affairs by the principals, consultants and our staff, and on the levels of skill and responsibility involved. Disbursements represent travel, accommodation and other expenses incurred in dealing with your affairs.

- 5.2 If it is necessary to carry out work outside the responsibilities outlined in our letter of engagement it will involve additional fees. Accordingly we would like to point out that it is in your interests to ensure your records etc., are completed to the agreed stage.
- 5.3 It is our normal practice to request that clients make arrangements to pay a proportion of their fee by a monthly standing order. These standing orders will be applied to fees arising from work agreed. Once we have been able to assess the amount of work and time involved we should be grateful if you would agree to pay an amount to us on a regular basis.
- 5.4 Our terms relating to payment of amounts invoiced and not covered by standing orders, where appropriate, are strictly 30 days net.
- 5.5 We reserve the right to charge interest and compensation for recovery costs on overdue debts at the rate for the time being applicable under the Late Payment of Commercial Debts (Interest) Act 1998. We also reserve the right to terminate our engagement and cease acting if payment of any fees is unduly delayed.
- 5.6 In the event this firm ceases to act in relation to your affairs you agree to meet personally all reasonable costs of providing information to you/ your company's new advisers. In particular you agree to meet these costs even where we are required by law to provide information to a successor firm.

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 of your financial statements and returns. You should retain these records for at least 6 years from the 31 January following the end of the tax year to which they relate.
- 6.2 Whilst certain documents may legally belong to you, unless you tell us not to, we intend to destroy correspondence and other papers we store which are more than seven years old, other than documents which we consider to be of continuing significance. Should you require retention of any document you must notify us of that fact in writing.

7 Conflicts of interest and independence

- 7.1 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, subject to 8 below. We will notify you immediately should we become aware of any conflict of interest to which we are subject in relation to you.
- 7.2 Should a conflict of interest 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 will 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/regulations.

8 Confidentiality

- 8.1 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 applicable to our engagement.

9 Quality control

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

10 Help us to give you the right service

- 10.1 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 contact us as outlined in your letter of engagement.
- 10.2 We undertake to look into any complaint carefully and promptly and to do all we can to explain the position to you. Should you feel 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.
- 10.3 In order for us to provide you with a high quality service on an ongoing basis it is essential you provide us with relevant records and information when requested, reply to correspondence in a timely manner and otherwise follow the terms of the agreement between us as set out in this Standard Terms of Business and associated Letters of Engagement. We therefore reserve the right to cancel the engagement between us with immediate effect in the event of:
- your insolvency, bankruptcy or other arrangement being reached with creditors; or
 - failure to pay our fees by the due date; or
 - either party being in breach of their obligations where this is not corrected within 30 days of being asked to do so.

11 Applicable law

- 11.1 Our letter(s) of engagement is/are 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 our letter of engagement 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.
- 11.2 Should any provision in this Standard Terms of Business or any associated letter of engagement, or its application, are found to be invalid, illegal or otherwise unenforceable in any respect, the validity, legality or enforceability of any other provisions shall not in any way be affected or impaired.

12 Internet communication

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

13 Data protection

- 13.1 We may obtain, use, process and disclose personal data about you/your business/company/partnership/its officers/employees in order we may discharge the services agreed 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 to access, under data protection legislation, to the personal data we hold about you. We confirm when processing data on your behalf we will comply with the provisions of the Data Protection Act 1998.

14 Contracts (Rights of Third Parties) Act 1999

- 14.1 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.
- 14.2 The advice we give to you is for your sole use and is confidential to you and will 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.

15 Client identification

- 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 all 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. 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 exhaustive.

- 15.4 We are obliged by law to report any instances of money laundering to SOCA without your knowledge or consent and would commit the criminal offence of tipping off under section 333 of the Proceeds of Crime Act were we to inform you of any suspicions or 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.
- 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 General limitation of liability

- 16.1 We will provide our professional services with reasonable care and skill. However, to the fullest extent permitted by law, we will not be held 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 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.
- 16.2 You will not hold us, our principals/directors and staff responsible, to the fullest extent permitted by law, for any loss suffered by you arising from any misrepresentation whether intentional or unintentional supplied to us orally or in writing in connection with this agreement. You have agreed you will not bring any claim in connection with services provided to you by the firm against any of our partners, directors or employees on a personal basis.
- 16.3 Our work is not, unless there is a legal or regulatory requirement, to be made available to third parties without our written permission and we will accept no responsibility to third parties for any aspect of our professional services or work that is made available to them.

17 Use of our name in statements or documents issued to you

- 17.1 You are not permitted to use our name in any statement or document you may issue unless our prior written consent has been obtained. The only exception to this restriction would be statements or documents which in accordance with applicable law are to be made public.

18 Draft/interim work or oral advice

- 18.1 In the course of our providing services to you we may provide advice or reports or other work products in draft or interim form, or orally. However, final written work products will always prevail over any draft, interim or oral statements. Where you request it, we will provide you with written confirmation of matters stated orally.

Parkhurst Hill
July 2011