

# STREETS

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## STANDARD TERMS OF BUSINESS

Last revised March 2008

The following Standard Terms of Business apply to all engagements accepted by Streets. Streets is a trading style of Streets LLP, Streets Whitmarsh Sterland LLP, Streets Northern LLP, Streets Southern LLP, Streets Tax LLP, Streets Audit LLP, Streets Financial Consulting plc, Streets Wealth Management Ltd and any other businesses as we advise from time to time. All work carried out is subject to these terms except where changes are expressly agreed in writing. There may be parts of these Standard Terms of Business which are not immediately relevant to the work we are doing for you, but as our objective is to build a lasting relationship with our clients, we believe it is appropriate to provide you at the outset, with a comprehensive description of the terms upon which we do business.

### 1. Professional obligations

- We will observe the byelaws, regulations and ethical guidelines of the Institute of Chartered Accountants in England and Wales (ICAEW) 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.
- 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.
- 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

Investment advice or investment business may be required from time to time, and with the exception of non mainstream regulated activities, this will be transacted either through Streets Financial Consulting plc, our associate authorised and regulated by the Financial Services Authority or by Streets Wealth Management Ltd another of our associates authorised and regulated by the Financial Services Authority. The activities carried out through Streets will be those covered by an exemption from regulated activities or those that are incidental to other professional services.

Any such investment business services will be the subject of a separate Terms of Business Letter issued by either Streets Financial Consulting plc or Streets Wealth Management Ltd.

In some circumstances, commissions or other benefits may become payable to us or to Streets Financial Consulting plc or to Streets Wealth Management Ltd in respect of transactions we or Streets Financial Consulting plc or Streets Wealth Management Ltd 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 Streets Financial Consulting plc or Streets Wealth Management Ltd without our, or their, being liable to account to you for any such amounts.

To the extent that any commission received exceeds the cost of providing the investment advice, no fee will be charged.

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### 3. Fees

Our fees are computed on the basis of time spent on your affairs and will take account of the levels of skill and responsibility involved. Disbursements represent travel, accommodation and other expenses incurred in dealing with your affairs.

Unless otherwise agreed, our fees will be charged separately for each of the main classes of work described above. Every business appreciates the importance of regular cash flow. We are no different and our cash flow is important to enable us to provide a professional service and to invest in the future. It is equally important for you to be aware on a regular basis, of the fees and expenses which you have incurred. That being so, it is our general policy to render regular interim invoices and we reserve the right to render interim invoices as and when we think necessary. Alternatively, we may agree with you regular periodic invoicing. Any interim invoices we issue will be "interim statute final bills" unless stated otherwise. This means we will be able to enforce and sue on these invoices if they are not paid. Your engagement partner is always willing to discuss with you the most appropriate invoicing procedures for any particular matter.

Our terms of business require fee invoices to be paid in full within 30 days of the date of issue. We reserve the right to charge interest on any accounts remaining unpaid after this due date. Interest will be charged on overdue debts at the rate for the time being applicable under the Late Payment of Commercial Debts (Interest) Act 1998. Settlement of fees by credit or debit card is accepted. If any invoice is overdue for payment, we shall be entitled to refrain from continuing to do work for you. This applies to the matter to which the invoice relates and any other matter for which we may be working for you. We shall also be entitled to retain documents and papers belonging to you, together with our papers, until all sums outstanding to us for any work are paid.

Where it is necessary for us to perform work outside the responsibilities set out in the earlier part of this letter, may we remind you that this will involve additional time being spent on your affairs and will therefore involve higher fees. Whilst we are happy to assist you in any way we can, we feel that you may wish to take particular care to ensure that your work has been correctly completed to a stage where we begin to provide service to you.

In certain circumstances we may require you to make payment(s) on account of charges and expenses to be incurred prior to any work being carried out or continued. If these circumstances arise we will contact you to discuss this and let you know the amount required by us. Money held by us for you, whether on account or otherwise, will be placed in our Client Account and you will be entitled to the interest which would have been earned, had it been held in a separate designated deposit account at HSBC Bank Plc, unless the amount of interest is less than £20. Money held by us (and accrued interest) may be taken by us in payment or part-payment of our invoices.

### 4. Limitation of Liability

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 employees on a personal basis.

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We make every effort to keep all clients accounting and tax affairs under review and advise clients of interest and penalties which may be incurred through failure to supply information and returns within statutory time limits or through late or inadequate payment of income and corporation taxes or value added tax.

We carry Professional Indemnity Insurance for the services we provide. Currently, insurance is in place which covers up to £19 million per claim. We exclude any and all liability for damages, claims, actions, proceedings, awards, compensation, costs, expenses and all other losses and/or liabilities which exceed the amount covered by our Professional Indemnity Insurance. This limit applies to the level of claim and not the value of the transaction or work to which a claim may relate. This limit and level of insurance is reviewed annually.

We exclude, to the extent permitted by law, any and all liability for any damages, claims, actions, proceedings, awards, compensation, costs, expenses and all other losses and/or liabilities to third parties who are not a client of ours in relation to the relevant matter. All third party rights are excluded and no third party may enforce the contract between yourself and us. We may accept liability to third parties in appropriate cases. We do this only where we expressly agree to do so in writing. Our fees may be adjusted to reflect this additional risk.

If you wish to extend the limit of our liability for any particular matter, then we may agree a revised limit with you. Our fees may be adjusted to reflect this additional risk.

In acting for a company, we do not assume a separate legal responsibility for advising shareholders and/or directors and/or employees of the company unless specifically requested by such individuals to do so and the giving of such advice is the subject of a separate letter of engagement.

The above limitations apply to any matters arising due to liability in contract, tort (including negligence), statutory duty and/or common law.

The above limitations do not limit and/or exclude our liability as statutory auditors, our liability for our fraud and/or any other liability of ours which it is not permitted to limit and/or exclude as a matter of law.

## 5. Filing and Record Retention and Destruction

Certain original documents in our files may legally belong to you, but unless deposited and accepted by us for safe-keeping, or unless we have acknowledged and accepted a specific instruction from you to the contrary, we routinely destroy correspondence and other papers that we store which are more than six years old, or three years after ceasing to act for you.

We also reserve the right to convert documents to a film or electronic record at any stage unless we consider the original format to have continuing significance. If you require retention of any document you must notify us of that fact in writing. We reserve the right to charge a fee for retrieving or storing documents.

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 on completion of our work. You should retain these records for at least seven years from the end of the accounting year to which they relate.

## 6. Quality Control

As part of our ongoing commitment to providing a quality service our files are periodically subject to an independent regulatory or 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.

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## 7. Help us to give you the right service

We aim to provide the services agreed with you in a courteous and efficient manner to a high professional standard. If you are dissatisfied with any aspect of our service, please let us know as soon as possible.

In the event that you have a complaint about our services which has not been resolved satisfactorily by the engagement partner you should contact the Chairman at our Lincoln office.

We undertake to look into any complaint carefully and promptly and to do all we can to explain the position to you. Our professional Institute (The Institute of Chartered Accountants in England and Wales) also has a formal procedure for receiving and investigating complaints which you may use.

We may decide to stop acting for you only with good reason and will, where possible, give you advance warning of our ceasing to act for you. You will be liable to pay us for all work carried out up to the time when we cease to continue acting for you.

In order for us to provide you with a high quality service on an ongoing basis it is essential that you provide us with relevant books and information when requested, reply to correspondence in a timely manner and otherwise follow the terms of the agreement between us set out in this Standard Terms of Business and associated Engagement Letter. 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;
- failure to pay our fees by the due date; and
- either party being in breach of their obligations where this is not corrected within 30 days of being asked to do so.
- In addition, this agreement may be terminated for any reason if 90 days notice is given.

## 8. Applicable Law

The 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 these Courts, to claim that the action has been brought in an inconvenient forum, or to claim that those Courts do not have jurisdiction.

If any provision in this Standard Terms of Business or any associated Engagement letter, 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.

## 9. Internet 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.

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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.

## 10. Data Protection Act 1998

To enable us to discharge the services agreed under this engagement, 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, we may obtain, use, process and disclose personal data about you. You have a right of access, under data protection legislation, to the personal data that we hold about you and, for the purposes of the Data Protection Act 1998, you should contact the Chairman at our Lincoln office in relation to personal data supplied about you.

## 11. Contracts (Rights Of Third Parties) Act 1999

A person who is not party to this agreement shall have no right 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.

The advice we give you is for your sole use and does not constitute advice to any third part 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

- 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 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.
- The offence of money laundering is defined by section 340(11) of the Proceeds of Crime Act and includes the acquisition, possession or involvement in arrangements for concealing 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:
  - deliberate tax evasion;
  - deliberate failure to inform the tax authorities of known underpayment or excessive repayments;
  - fraudulent claiming of benefits or grants; or
  - obtaining a contract through bribery

Clearly this list is by no means an exhaustive one.

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- 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 section 333 of the Proceeds of Crime Act if we were to inform you that a report had been made. In consequence, neither the firm's principals nor staff may enter into any correspondence or discussions with you regarding such matters.
- 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 ICAEW.

## 13. General

Unless otherwise agreed, these Standard Terms of Business apply to any future instructions you give us.

Your continuing instructions in this matter will amount to your acceptance of these Standard Terms of Business. Even so we ask you to sign, date and return to us the engagement letter which accompanies these Standard Terms of Business.

These Standard Terms of Business are important. Please keep them in a safe place for future reference.