

TERMS OF BUSINESS

1 INTRODUCTION

1.1 These terms of business should be read in conjunction with, and are subject to our client engagement letter. Together, they form the entire agreement between us as to the terms of our engagement in relation to any matter, unless varied by agreement in writing between us.

1.2 In the event of any inconsistency between these Terms of Business and our letter of engagement then the terms of the letter of engagement will prevail.

1.3 Should you instruct us in respect of another matter in the future, a separate letter of engagement may be issued in respect of that matter, but until then, these terms will apply to all subsequent matters.

2 FEES AND DISBURSEMENTS

2.1 The firm will maintain a detailed record of the time spent on this matter by each fee earner in the firm. Each fee earner has a specified hourly charging rate and records time spent on the matter. The firm's charges are calculated primarily by reference to the time spent on the matter, including advising, attending on you and others, drafting and negotiating documents, drafting and dictating letters and file notes, research, correspondence, electronic communications, telephone calls, travelling, waiting time and time spent in supervising the matter. We may also take into consideration such matters as the importance of the matter to you, its value, its complexity, its uniqueness and the urgency with which it may need to be undertaken.

2.2 The firm's charge out rates are subject to review on 1 May each year. We also reserve the right to review our rates at other times. We will notify you in writing of any increase in the rates.

2.3 In addition to the firm's own professional fees, any bills delivered will include disbursements and out-of-pocket expenses incurred or to be incurred on your behalf during the conduct of the matter. These may include counsel's and advocate's fees, agent's and expert's fees, travelling expenses, search fees, stamp duty, stamp duty land tax, registration fees, courier fees, court fees, costs draftsman's fees (even where we use internal costs draftsmen), document production (to include photocopying, printing, faxing, scanning and CD creation: non-colour: 20p per page for A4 size; 30p per page for A3 size and £2.50 per page for larger sizes; colour: £1.20 per page for A4 size; £1.70 for A3 size and £12.00 for larger sizes), stationery and document finishing, secretarial support outside normal business hours, company searches and other database research fees and use of video conferencing facilities. These will generally be itemised separately in our bills.

2.4 We reserve the right to seek payment from you, from time to time, in advance to cover disbursements and expenses to be incurred on your behalf as we may consider appropriate.

2.5 Unless otherwise agreed by us, all bills will be rendered in pounds sterling.

3 GOVERNING LAW AND JURISDICTION

3.1 The terms of our engagement shall be governed by and construed in accordance with the laws of England and the parties submit to the exclusive jurisdiction of the English Courts.

3.2 Each provision of these terms of business and our letter of engagement is severable and distinct from every other provision. If any such provision is or becomes illegal, invalid or unenforceable under the law of any jurisdiction, that shall not affect or impair the legality, validity or enforceability either in that jurisdiction or, under the law of any other jurisdiction, of any other provision of these terms of business or of our letter of engagement.

4 ESTIMATES AND THIRD PARTIES

4.1 Wherever possible we will provide you with advance estimates, forecasts and updates of the likely costs involved. Where detailed written costs estimates are provided a charge will be made for that. You will appreciate that changing circumstances and facts which are unknown to us at the outset of a particular matter are likely to affect the final cost of the work done. Where estimates are given they are intended only as a general guide and are not firm quotations. Where oral estimates are given, we will confirm these in writing.

4.2 If we agree a limit on the costs which may be incurred (which must be confirmed by us in writing), we will not exceed the limit without your prior approval. If our costs estimate or agreed upper limit is likely to be exceeded we will inform you in writing.

4.3 We will tell you in advance what other reasonably foreseeable payments you may have to make to third parties, such as enquiry agents, counsel and experts, and at which stages they are likely to be required.

4.4 Where other professionals are engaged to act on your behalf (such as other lawyers, accountants, experts etc), whether in the UK or abroad, we may require you to contract with them and to pay their charges directly. Where we engage other professionals on your behalf then we do so as your agent. We will engage them with care but we will not be held responsible for any act or omission of those professionals.

5 PAYMENT OF BILLS

5.1 All bills are subject to Value Added Tax ("VAT") at the prevailing rate, where applicable.

5.2 Our bills are due for payment within the period specified in the accompanying letter of engagement and time shall be of the essence in relation to payment. If a bill remains unpaid, we reserve the right to charge interest at 8% per annum from the due date until payment is made. If we have rendered a final bill and we are or become liable to a

third party for fees or expenses incurred on your behalf, we reserve the right to render a further bill or bills to cover such disbursements to the extent that these have not been included in the final bill.

5.3 At your request, we may agree to issue bills relating to a matter which are marked as being payable by a third party. Please note, however, that you will remain liable for any VAT. You will also remain primarily responsible for discharging any indebtedness to this firm which such third party does not pay by the due date for payment even if it agreed that it would.

5.4 If at any time you enter into an agreement with another party and that party agrees to discharge all or part of our costs and disbursements, this does not affect your primary responsibility for payment of all costs and disbursements you incur with us, unless otherwise agreed to by us in writing.

5.5 If you instruct us to respond to an audit letter from your auditors on your behalf, you confirm that we are entitled to be paid the cost of doing so by you at our then prevailing hourly rates.

5.6 We are generally entitled to keep all papers and documents belonging to you while money is still owing to us.

6 CONFLICT OF INTEREST

6.1 When you instruct us on a particular matter we will consider whether we are able to act in that matter or whether there is any conflict of interest which would prevent us from acting for you.

6.2 In the event that we accept your instructions to act on a matter but a conflict of interest arises subsequently then we may be obliged to cease acting for you. In that event we will inform you of the position.

7 CLIENT MONEY

7.1 When we receive money from you or any third party which is to be applied or held on your behalf, this will be held in a separate client bank account which will be subject to the strict provisions of the Solicitors' Accounts Rules of the Law Society. Any money paid to UK residents in lieu of interest by us will be paid without deduction of tax. It will be your responsibility to declare sums so received for tax purposes.

7.2 In respect of monies paid to us on account of anticipated costs and disbursements or any monies held on your behalf under paragraph 7.1, you accept that we reserve the right to apply such sums in reduction of any disbursements incurred on your behalf or to apply them in full or partial reduction of any unpaid bills at any time.

7.3 Where we recover or receive monies from any third party on your behalf, subject only to any conditions imposed on us by that third party or relevant court order, these monies will be dealt with in accordance with

paragraphs 7.1 and 7.2 above.

8 PAPERS AND DOCUMENTS

8.1 On completion of this matter, subject to any rights of retention that we may have, we will return to you, upon written request, any documents you provided to us for the purposes of acting for you in this matter. Those documents which belong to us will remain our property. We will retain files for the minimum period recommended by the Law Society and we reserve the right to destroy files if they are not required after that time.

8.2 Copyright in any document created by us will be and remain vested in us and will not be transferred to you. We assert the right to be identified as the author of and to object to the misuse of any such document.

8.3 We shall be entitled to recover from you the cost of complying with any legal requirement which compels us to disclose documentation or give information orally or in writing relating to this matter or your affairs (whether during, or after expiry, of this engagement). If any such documentation or information is subject to legal professional privilege we will inform you of the requirement made upon us and give you the opportunity to waive privilege. If you do not do so then we will be entitled to be paid by you for any time spent and expenses incurred in preserving privilege on your behalf.

9 CONFIDENTIALITY

9.1 Information of a confidential nature which you provide to us will be kept strictly confidential, subject to our legal obligations. However, if we are working on a matter in conjunction with your other advisers, you confirm that, unless you notify us otherwise, we may disclose any such information to and discuss it with such other advisers as appropriate.

9.2 As we owe the same duty to others who are, or have been, our clients, by agreeing to instruct us on these terms, you accept that our provision of legal services to you does not place us under any obligation to disclose to you, or use for your benefit, any confidential information that we currently have, or may obtain, in relation to any other client or prospective client.

9.3 Unless you notify us to the contrary in writing, we shall be entitled to refer to information which is in the public domain and/or is a matter of public record. This would include the fact that we are acting or have acted for you in relation to the matter for our marketing purposes, including any promotional material, such as mail shots, pitch documents and on our website.

10 MONEY LAUNDERING REGULATIONS

10.1 We may require you to provide information to us from time to time to enable us to comply with our obligations under the Proceeds of Crime Act 2002 and the Money Laundering Regulations 2003 or subsequent legislation if relevant. You should be aware that these provisions, or a failure to provide information requested for these purposes

may require us to take further steps, such as ceasing to act for you in the relevant matter or at all.

11 TERMINATION

11.1 We expect to continue to act in any matter on which we have accepted instructions from you until the matter is completed. However you can bring our engagement to an end at any time. We will not terminate our engagement with you except for good reason and upon giving you reasonable notice where practicable. This may include but is not limited to: where our bills are not settled in accordance with our terms (see paragraph 5.2 above); where you have failed to make payments on account of anticipated costs and disbursements despite a request that you do so; where you have failed to comply with paragraph 10 above; where we are unable to agree a revised estimated fee, fixed fee, fee cap or minimum amount with you where the circumstances and/or your requirements change and unforeseen, additional work becomes necessary.

11.2 If instructions are terminated, you will be liable for all fees and disbursements incurred up to the date of termination of the instructions or to which we may be committed, plus any fees and disbursements for work necessary in connection with the transfer of the matter to another adviser of your choice and/or removing ourselves from the court record, as applicable. You will also remain liable for any interest which we may levy in accordance with paragraph 5.2 above.

12 COMMUNICATIONS

12.1 Please note that all communications which are sent by you to our staff (or vice versa) by postal service, public or private telecommunications service or system (as those expressions are used in the Regulations of Investigatory Powers Act 2000) may be intercepted by us.

12.2 We may correspond with you (and with your other professional advisers with whom we may be working on a matter) by email unless you advise us in writing that you do not wish us to do so. You acknowledge that email may not be secure. Email will be treated as written correspondence and we are entitled to assume that the purported sender of an email is the actual sender and that any express or implied approval or authority referred to in an email has been validly given.

13 DATA PROTECTION ACT 1998 (THE "DPA")

13.1 We may be required to process personal data as defined in the DPA ("Personal Data"). In relation to Personal Data provided to us to enable us to advise you, except as provided in paragraphs 13.5 and 13.7 below, you are the data controller (as defined in the DPA) in relation to such processing, and we are a data processor (as defined in the DPA). We will process such Personal Data on your behalf in accordance with your instructions.

13.2 In processing Personal Data on your behalf we will comply at all times with the seventh data protection principle set out in Schedule 1 Part 1 of the DPA (the

"Seventh Principle"). We will inform you on reasonable request what measures we have taken to comply with the Seventh Principle and, at our cost, implement any further reasonable steps that are necessary to comply with the Seventh Principle.

13.3 Subject to the duty of confidentiality we owe to others, we will permit you on reasonable notice to have escorted access to the appropriate part or parts of our premises to inspect our systems, equipment and facilities, to inspect and monitor our compliance with the Seventh Principle, and suggest ways whereby we can enhance that process. You will undertake to keep strictly confidential any information you obtain at such inspection.

13.4 If we cease processing Personal Data on your behalf then, to the extent that we retain any Personal Data (and/or copies of such data) to comply with any claims management procedures or regulatory, legal or other obligations to which we are subject, we may retain and not destroy such Personal Data and/or copies of such data so as to comply with such procedures or obligations, and we will become the data controller under the DPA in relation to such Personal Data and/or copies of such data.

13.5 In relation to Personal Data provided to us to enable us to act for you, to open files relating to your matters and to render bills to you and collect sums due, we are data controllers. Prior to opening any file, (and as required of us in connection with the prevention of money laundering) we may undertake a search. If you are an individual, we undertake a search which confirms your address and details of any civil judgments against you. If you are a company, the search is made against your company, but will show the details recorded at Companies House in respect of your directors and company secretary. We reserve the right to conduct credit reference searches against you at any time during the course of our relationship, although our usual practice is to conduct searches only at the outset and/or in the course of seeking to recover sums due. A record may be kept by the third party agencies of the fact that a search has been made.

13.6 As part of the service we offer, we may wish to send you information by post, fax or electronic means, including email, relating to legal developments and the legal and related services we offer. By accepting our letter of engagement and these terms of business, you consent to us sending you such material by post, fax, or electronic means. You may revoke this consent at any time by email to admin@birchreynardson.com

13.7 In relation to the information you provide to us about your contact personnel, we are data controllers and we will use such information in the course of our relationship. Where we conduct seminars or other events jointly with a third party, we may occasionally make available the relevant database list to that third party, but only for the purpose of avoiding duplication of invitations.

14 FINANCIAL SERVICES

14.1 We are not authorised by the Financial Services Authority to provide investment services. However, as we

are regulated by the Law Society, we may be able to provide certain limited investment services where these are closely linked to the legal services which we provide.

15 COMPLAINTS

We will seek to resolve with you any complaint which you might have in accordance with our written complaints procedure, a copy of which will be provided to you on request. If we are unable to resolve the matter between us, we are regulated by the Law Society which also provides complaints and redress mechanisms through Law Society regulation.

16 CONTRACT (RIGHTS OF THIRD PARTIES) ACT 1999

16.1 The terms of our engagement contained in these terms of business and in our letter of engagement, as may be varied from time to time, are between you and Birch Reynardson & Co. Subject to paragraph below, no other party shall have any rights under the Contract (Rights of Third Parties) Act 1999 to enforce any term.

16.2 Where we limit our liability to you, those provisions and the benefit of them shall extend to the named classes and categories of third parties by virtue of the Contract (Rights of Third Parties) Act 1999 or as otherwise allowed in law.

16.3 Advice which we give to you must not be passed onto others without our prior written consent. No third party rights are created by these terms or our letter of engagement in the absence of express agreement to the contrary. The advice which we give is confidential and for the exclusive use of our client/s.

17 Costs & Third Party Liability

17.1 In any contentious matter we will seek to advise you as best as possible on your third party costs liability but assessment or estimation thereof cannot be relied upon as anything other than estimation.

17.2 You will at all times remain responsible for adverse costs of any dispute resolution procedure and the entering into and payment of premiums concerning any insurance of those costs.

17.3 You should be aware that adverse costs insurance may be available in contentious matters. We are not authorized to advise on insurance issues, and you should take independent advice from your brokers.

18 LIMITATION OF LIABILITY

18.1 By entering into the firm's letter of engagement you expressly agree that this firm's liability to you in the event of any legal claim or losses incurred by you as determined by the High Courts of England shall be limited to £2,000,000.