IMPORTANT INDEPENDENCE CONSIDERATIONS

1. What is the UK Independence Policy?

UK Independence Policy ("UKIP") is designed to protect the firm's integrity and objectivity, both actual and perceived. The firm must demonstrate that it is able to meet the regulatory requirements of the Auditing Practices Board (APB), the Institute of Chartered Accountants in England and Wales (ICAEW) and, where appropriate, the US Securities and Exchange Commission ("SEC").

UKIP is an important factor when considering employment with PricewaterhouseCoopers, as it may affect your financial affairs and those of your immediate family[1]. Compliance with UKIP will form part of the terms and conditions of your employment and you are required to complete an independence confirmation confirming compliance with these rules on joining the firm and annually thereafter.

2. Does UKIP apply to me?

Whilst UKIP applies to all PwC staff, some of its provisions will only affect you (and your immediate family) if you are joining as practice staff or director-grade support staff. The term practice staff[2] includes those who provide professional services to clients of the firm and other staff who are in a position to influence directly the client engagement (for example, individuals working in Risk Management or Accounting Consulting Services). The term support staff includes all other staff (for example administrative staff or those working in most Internal Firm's Services departments). If you are unsure whether you are practice or support staff, you should describe the role you have applied for on your confirmation.

This document summarises the firm's key independence policies. Upon joining the firm, you can access the full policy via the PwC UK Independence website.

3. Summary of the UK Independence Policy ("UKIP")

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[1] An *immediate family member* includes:

a) your spouse, spouse equivalent, or domestic partner
b) dependent children, including stepchildren
c) any other relative who receives substantial financial support from you and over whom significant influence is exercised.

[2] *Practice staff member* comprises all staff who provide professional services to clients, either directly, in a managerial capacity or through the provision of their expertise to other practice staff members. It does not include secretarial, clerical, administrative and other support staff. An individual who is not an employee of a PwC firm, but who provides professional services to clients under the supervision of a PwC firm partner or employee, is a practice staff member.

- If you are joining as practice staff or director-grade support staff, you and your immediate family may not hold a financial interest[3] in any PwC firm audit client or related entity[4].

  However, UKIP allows you to hold a financial interest in an audit client that is a Collective Investment Fund ("CIF") provided that:

  a) you do not provide professional services to the CIF and
  b) you do not provide audit services to the entity that manages the CIF.

  Examples of a CIF are a unit trust, investment trust and open ended investment company (OEIC).

- UKIP includes rules on financial interests in an audit client or related entity held through a pension or savings related insurance policy. You should therefore disclose any such financial interests on your independence confirmation.

- An investment in a client of the firm which is neither an audit, nor a non-audit assurance client, is generally permitted. However, you must not hold a material financial interest in such a client if you provide professional services to the client. In addition, you must not trade in any financial interests in that client for the duration of your involvement in the engagement[5] and for a six month period thereafter (see "Insider Dealing" below).

- You must not have a business relationship with any PwC audit client (or related entity), other than on an arm's length basis and on normal commercial terms.

- You must not provide services to a client if you or a member of your family has any personal relationship which could impair, or give the appearance of impairing, your objectivity and/or independence in relation to that client. This would be the case, for example, if a family member was the group chief accountant or a director of the client.

- There are restrictions on providing services to an audit client if you were previously employed by the client group.

- You should not accept a directorship or other similar external appointment[6] with a company or other organisation without first obtaining approval from Compliance. If you

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[3] *Financial interests,* broadly defined, are interests in equity or other securities or debentures, loan stock or other debt instruments of an entity. These include rights to acquire an interest such as an option or warrant, a reversionary or other derivative or remote interest. Securities held through an ISA or Child Trust Fund are also included.

[4] A related entity is:
a) An entity that has direct or indirect control over the client provided the client is material to such entity
b) An entity with a financial interest in the client provided that such entity has significant influence over the client and the interest in the client is material to such entity
c) An entity over which the client has direct or indirect control d) An entity in which the client, or an entity related to the client under (c) above, has a financial interest that gives it significant influence over such entity and the interest is material to the client and its related entity in (c)
e) An entity which is under common control with the client (a "sister entity") provided the sister entity and the client are both material to the entity that controls both the client and sister entity.

An entity is presumed to be material to the investor, absent any other facts and circumstances, if it meets either of the following:
(1) the investor's carrying amount (historical cost or fair market value) of its investment in and advances to the entity exceeds 10 percent of the investor's consolidated total assets, or
(2) the investor's equity in the entity's income from continuing operations before income taxes exceeds 10 percent of the investor's consolidated income from continuing operations before income taxes.

[5] *An engagement* is an undertaking to provide professional services.

[6] *An external appointment* includes a:
- role in a property or flat management company
- directorship, partnership or other role in a trading entity
- executive or non-executive role at a public body

already hold such an appointment, please disclose on the independence confirmation.

4. How do the SEC rules affect me?

The independence rules in respect of certain financial arrangements (such as mortgages, bank accounts and insurance policies) with an SEC registered audit client are more restrictive. These additional restrictions apply if you provide any professional services to the client concerned.

5. Recording financial interests on the firm's systems

If you are joining the firm at manager grade or above you will be required to log all equity investments on the firm's Global Portfolio System ("GPS") upon joining the firm. Further information relating to this will be provided to you once your employment has commenced. However, it is advisable for you to gather the necessary information relating to your financial interests, such as the names of funds or an identifying number for your investments (e.g. ISIN or SEDOL numbers) in advance of joining the firm.

6. Insider Dealing

Insider dealing legislation is of critical importance to any professional person. Broadly, it is an offence if you knowingly have non-public information gained either in the course of employment or from an inside source, to profit from such information by dealing on a regulated market or through a professional intermediary in securities. It is also an offence to encourage insider dealing or to disclose the information to another person other than in the proper performance of your employment or profession. Breaches of the requirements could have criminal implications.

7. Competition Law

Membership of, or participation in a professional or industry body, association forum or other group of which employees or representatives of any competitor are also members can have competition law implications. These are likely to be minimal where you have general membership of professional or business bodies such as the ICAEW, Institute of Actuaries, the Chartered Institute of Taxation, R3 or BVCA (or their local branches). Membership of committees of such a body or of ad hoc or specialist groups (particularly with a small membership) carry potentially greater risk.

If you have any queries, or would like to request a copy of the firm's competition law policy and guidance, please contact Robert Kaufeler (robert.j.kaufeler@uk.pwc.com).

Further guidance

If you have any queries relating to independence, please contact the Compliance team on 020 7213 3666.

- appointment to a board committee or subcommittee of a professional body, industry group or similar association
- trusteeship (except where the only beneficiaries are your family relations)
- formal position with a charity, school, college, livery company, faith institution, club or association, political party, trade union or similar body
- Justice of the Peace
- member of a local authority or parish council

This list is not exhaustive. If in doubt, please disclose on your attached confirmation.