



Welcome to the Spring 2010 edition of Business Law. Our lead article explores and advises on the topical subject of corporate governance. With Directors, their role and the way in which they perform their duties coming under greater and greater scrutiny, the importance of managing risk and understanding the key principles of good corporate governance is vital.

Elsewhere we look at the potential areas where businesses could be committing criminal offences without realising it, and discuss the importance of ensuring that your company's articles of association are reviewed and updated to ensure they are compliant.

If you would like advice on any of the issues covered in this newsletter, or another aspect of commercial advice, please contact Richard Hastings on 023 8083 1216 (richard.hastings@thomaseggar.com)

## Corporate governance - is your board acting properly?

Last year was dominated by news of questionable practices by the banks and the remuneration of their boards, who at the same time failed to manage risk and safeguard shareholders' interests.

In addition to the headline news the Association of Investment Companies and the Association of British Insurers both issued guidance on corporate governance best practice principles for their members, the UK government commissioned its own report into the corporate governance of the UK banking industry and a private members' bill for the proposed Protection of Shareholders Act has had its first reading in Parliament.

It is therefore hardly surprising that 'corporate governance' (at least good corporate governance) has become the media buzzword for the practices large companies and their boards should look to follow. Outside of the world of finance however, do the principles of good corporate governance have any relevance to the smaller, owner-managed businesses?

The answer is, in short, a resounding yes. The principles and the duties by which a director must comply when running a company, whether it be a global financial institution or a privately owned company with only a handful of shareholders, remain the same. Indeed much of the law which is applied to the actions of smaller company directors arises out of the landmark cases relating to the directors and shareholders of major institutions.

It is therefore worthwhile considering and refreshing the application of the recommended principles of good corporate governance when taking decisions at board level. These principles can be condensed into a few main strands:

- Independence of the board
- Treatment of all shareholders equally
- Acting at all times in the shareholders best interests
- Proper safeguards to manage risk

Whilst they may appear obvious, following these principles can actually be more difficult for the directors of an owner-managed company than those of large PLCs.

The principle, requiring independence of the board, provides that the board must be able to take objective decisions. It is difficult to distance yourself sufficiently to take a decision as a director (which may be in the best interests of the company and all of the shareholders as a whole) that will adversely affect your own interests (whether as a shareholder, employee, landlord or contractor). However, it is exactly this independence of thought that good corporate governance principles, and ultimately the Courts, will require.

By treating all shareholders equally and acting at all times in their best interests you should ultimately be acting in the

*Continued on back page*

### In this issue

It's criminal!	2
Shareholders - get it agreed!	2
Newsbrief	3
Are you ready for the new consumer protection regime? No more 'hard sell'...	6
Panel discussion	7
Director update	8

'If the matter is heard in the magistrate court the maximum fine is £5,000...'

# It's criminal!

A large number of businesses could be committing criminal offences without realising it. Is your business one of them?

Until recently many offences may have gone unprosecuted but this climate is beginning to change. Not only are regulators taking enforcement action more frequently, but for some offences, fines and custodial sentences are also being increased or introduced.

This article considers three areas where business compliance failures could potentially result in criminal liability.

## Data Protection Act ('DPA')

Currently, the Information Commissioner can bring criminal proceedings for some offences under the DPA, for example the failure by a business to notify or for unlawfully obtaining personal data. Historically the fines for such breaches have been low. If the matter is heard in the magistrate court the maximum fine is £5,000 and although the DPA provides that a Crown Court may impose an unlimited fine, the Information Commissioner has had no power to direct which court should hear the offence.

Going forward however, this is all set to change. If the proposals recently outlined by the Government go ahead, the Information Commissioner will be able to directly punish DPA offenders by fining them up to £500,000 - a dramatic increase.

The Government is also consulting on whether to introduce two year custodial sentences for 'knowing or reckless misuse of personal data'.

The recent headlines about staff at T-mobile selling customer account details to its competitors have been heralded as proof that the Information Commissioner's powers need to be strengthened and it is likely that the current proposals could come into force in early 2010.

To minimise your risk of being prosecuted under the DPA we recommend that

you ensure that your business puts appropriate data protection and privacy policies in place and appoints a member of staff to be responsible for ensuring not only awareness of but also compliance with the policies.

## Consumer Protection from Unfair Trading Regulations 2008 (the 'regulations')

These regulations have been in force since May 2008. They create a general prohibition on unfair commercial practices. A commercial practice is considered to be unfair if it materially distorts, or is likely to distort the economic behaviour of the average consumer with regard to a product or service.

Examples of unfair commercial practices include:

- A** stating that a product or service will be available for a limited time when it isn't; or
- B** describing a product or service as free or without charge if the consumer has to pay anything other than the unavoidable cost of responding and collecting or paying for delivery of the item; or
- C** posting favourable reviews of your product or service online by pretending to be a consumer of such a product or service.

There are 31 unfair commercial practices listed in the regulations.

A breach of the regulations in most (but not all) cases is a criminal offence.

Most breaches will be tried in the magistrates court with a maximum fine of £5,000. More serious offences however will be dealt with in the crown court and offenders face a potentially unlimited fine and/or a term of imprisonment of up to two years.

To reduce the chances of prosecution a business needs to ensure that:



- A** it can justify the claims that it is making about a product or service; and
- B** any comparisons with other products are valid; and
- C** any claim that a product or service is cheaper is true.

A business should have appropriate procedures in place to ensure that claims



are appropriately reviewed before they are made and staff should be given relevant training.

It is also worth noting that the regulations apply not only to corporate bodies but also to their directors and officers. The definition of 'officer' includes not only the directors and company secretary but also 'managers'.

How 'manager' is interpreted by the courts remains to be seen. A business however should be cautious about this and review its 'directors and officers' insurance to ensure that it is wide enough to cover relevant individuals if they were to be prosecuted under these regulations.

Enforcement under the regulations to date has been slow with action mainly being taken against rogue traders in the home maintenance and improvement sector. It is anticipated however that enforcement action will increase as consumers become more aware of the regulations.

### Health and safety

Recent health and safety legislation is a good indication of the government's agenda to make businesses and management collectively and individually responsible for health and safety failures.

The Health and Safety (Offences) Act 2008 provides for custodial sentences of up to two years for certain individual offences. A prosecution is more likely where there has been a reckless disregard of requirements or where there have been repeated breaches or persistent poor levels of compliance.

Directors need to ensure that they are aware of and comply with their duties under health and safety legislation. They should also appoint a director to be responsible for keeping the board regularly informed of health and safety matters and to ensure the business has appropriate strategies in place to cope if there is an investigation or prosecution by the Health and Safety Executive.

Businesses also need to be aware of the provisions of the Corporate Manslaughter and Corporate Homicide Act 2007. This act created a new criminal offence of corporate manslaughter replacing the common law offence of manslaughter by gross negligence for companies.

A business will be guilty of the offence if the way in which its activities are managed or organised causes a person's death and amounts to a gross breach of a relevant duty of care owed by the organisation to the deceased.

If convicted, a business can be fined, ordered to publicise the fact of its conviction or forced to address the cause of the fatal injury. Sentencing guidelines for corporate manslaughter state that 'the appropriate fine will seldom be less than £500,000 and may be measured in millions of pounds'. For health and safety offences causing death, sentencing guidelines suggest that 'the appropriate fine will seldom be less than £100,000 and may be measured in hundreds of thousands of pounds or more.'

A key area of risk under this legislation is where employees drive their own cars on business. Businesses need to ensure that they have appropriate driving policies in place to be confident, for example, that:

- A** the vehicles being driven are safe; and
- B** the driver has appropriate insurance; and
- C** appropriate breaks are taken for the length of the journey.

Businesses also need to be aware of the risk of employees using mobile phones (even hands free devices) while driving. Where an accident investigation determines that a business has failed to adequately manage these risks it could be prosecuted under the Health and Safety at Work etc Act 1974 or for the offence of Corporate Manslaughter where there has been a fatality. Again businesses should put in place an appropriate mobile phone policy which ideally should forbid an employee from taking calls while driving, even where a hands free kit has been fitted.

The UK's first corporate manslaughter case is due to be heard in February 2010. Mr Eaton and his company Cotswold Geotechnical Holdings have been charged under the act with the unlawful killing of a young geologist who was collecting soil samples in September 2008 when the trench collapsed.

For further advice in connection with the issues set out in this article please contact Richard Hastings (023 8083 1216) [richard.hastings@thomaseggar.com](mailto:richard.hastings@thomaseggar.com)

'No one would enter into a business venture with the view that it is not going to succeed...'

# Shareholders - get it agreed!

## Shareholder relationships

The Companies Act 2006 (the 'Act') provides that a company's relationship with its shareholders is governed by the company's articles of association. In October 2009, the Act introduced changes that amend the articles of association. Companies are advised to review and update their own articles to reflect the latest position and ensure that they are compliant.

It is advisable to supplement the arrangements between shareholders and the company by contract, the shareholders' agreement. This has the advantage of being a private document (as opposed to the articles) and can deal with more detailed company provisions.

## Hope for the best, prepare for the worst

No one would enter into a business venture with the view that it is not going to succeed, and indeed to do so would be foolhardy. However, to involve yourself in a business without regard to potential issues that may arise such as disputes, change of management, personality clashes and exit options is in some respects equally imprudent.

Whilst a company is considered a separate legal entity and the principle of majority rule is enshrined in English law, a number of recent cases have demonstrated that the Courts are willing to recognise rights of a minority shareholder and enforce them against the majority.

Where a party becomes a member of a company, that person begins to acquire certain rights in relation to how the board and other members of that company must conduct themselves. This can lead to a drip-feed effect where, over a period of years, a minority shareholder

can gradually acquire more rights (for instance a right to be consulted or a right not to be removed from management). Therefore, such rights may not be apparent (or even exist) when the parties consider their relationship at the outset of a venture (and therefore an agreement regulating the parties is not necessary). However, in the event of a dispute, the majority can suddenly find themselves operating in circumstances where they must give consideration to, or even be bound by, the minority shareholder's rights in situations where it was never the parties' original intention.

The recent cases show that the Courts are prepared to find in favour of an infringement of the minority member's rights and exercise their discretion accordingly. Court proceedings between shareholders are often complex and costly (in terms of both legal fees and management time) and are almost always to the detriment of the business.

In the above circumstances, although not apparent at the outset, a shareholders' agreement would have gone some way to avoiding the need for proceedings by regulating the parties' rights, the handling of a dispute, potential resolutions and exit conditions.

## The early bird catches the worm

The start of a new venture or relationship is when parties are most agreeable and their interests most closely aligned. Of course, if you have been in business for some time or are joining an existing venture, you should still record the parties' agreed intentions and rights, and it is not too late to put in place a shareholders' agreement.

In the majority of cases, the true value of a shareholders' agreement is never realised. However, it is when discord and conflicts

threaten to arise that a shareholders' agreement is vitally important.

Many unforeseen problems can arise in business and the likelihood that shareholders' views may differ should be considered. Any delays in the decision making process of a company will only harm the smooth operation of the business.

There may, of course, be changes in the individual shareholders' circumstances, such as a career change, retirement or even death. In such situations, the remaining shareholders will want certainty as to the future of the business and may want protection in respect of who their future shareholders are.

They may also want, and indeed are advised, to prescribe what happens on the exit of a shareholder, particularly in relation to the notice period for his exit and offer to sell his shares, the valuation of his shares and what restrictions are to be placed on him in respect of competing with the business or poaching customers and staff.

A shareholders' agreement can provide comfort and certainty on all these areas and more. The agreement will be the first point of call when relationships or decisions become difficult.

The initial cost and time required to implement a shareholders' agreement is





small when compared with the potential cost and time involved in resolving those issues without it, or when things turn acrimonious. To use a crude analogy, a prenuptial agreement is cheaper and easier than a divorce (for the lawyers too!).

### Areas to consider

A well-drafted shareholders' agreement will not only set out but will also expedite decisions about the running of the company, saving on both owners' and directors' time. It will provide the directors and shareholders alike with a point of reference, setting out their respective duties and the procedures and remedies if they are breached. Further provisions can include:

- **Nature of the business** - ensuring that deviations into new areas can be made only with shareholder approval, thereby protecting the shareholders from losing control of the direction of the company and their investment.
- **Shareholder control** - ensuring that each shareholder is represented on the board of directors. The agreement can also impose restrictions on the way that the business and affairs of the company can be conducted in the absence of shareholder approval (majority or otherwise). Minority shareholders may require a right of veto in relation to certain matters, eg charging company

assets, making loans, issuing shares or taking any action that may result in the company being wound up.

- **Share subscription and raising additional capital** - prescribing the procedure for the raising of extra capital and the issue of further shares and setting out any rights of pre-emption in favour of the existing shareholders. The circumstances whereby additional shareholders may be introduced into the company to provide extra funding also need to be considered.
- **Dividend policy** - governing the issue of dividends, the basis of their calculation and what level of approval is required.
- **Restrictions on the transfer of shares** - offering existing shareholders control over the identity of future shareholders as well as protection against dilution of their shares or even loss of control of the company. Conversely, an exiting shareholder wanting to realise his investment can have the comfort of the exact mechanics of an exit being set out in the agreement, from notice periods and timing to share valuation mechanisms.
- **Restrictions on shareholders** - preventing an exiting shareholder from competing with the company or poaching its customers and staff. These restrictions are usually for the whole period of share ownership and can extend beyond that, once the shares have been sold or transferred.
- **Exit strategy** - dictating how long the venture is expected to last, in what circumstances any individual may leave, or in what circumstance the majority can force out an existing shareholder. It is better to agree these matters in advance, rather than wait for the dispute.

### What should you do?

If you are a shareholder in an existing company or are about to become one, whether in a start-up or by buying into a company, and the contents of this article have interested you, please contact Shaw Stapely (01293 742765) [shaw.stapely@thomaseggar.com](mailto:shaw.stapely@thomaseggar.com) for an informal discussion.

## Newsbrief

### Positive signs for manufacturing

Thomas Eggar LLP's Manufacturing Index of top 100 players in the South East demonstrates strength of sector

Despite some commentators remaining cautious about recovery in the manufacturing sector, a report published by Thomas Eggar in January suggests that there are some hopeful signs for recovery in the South East, which has the second largest concentration of manufacturing organisations in the country. The Manufacturing Index was compiled for Thomas Eggar by DECISION business magazine.

The Index examines the performance of the 100 largest manufacturers in the region, and the overall results show that there has been an average growth of 12% in sales across a range of industries from traditional manufacturing such as pharmaceutical and automotive production to defence and nanotechnology suppliers.

Caroline Armitage, a Partner at Thomas Eggar LLP and specialist on the sector stated:

*"Our work with numerous manufacturers in the region suggested potential for a positive outlook for 2010, and this report confirms it. This news will have a far reaching impact on both the region, and the industry as a whole. As specialists we will be working with our clients to ensure this positive trend continues throughout 2010."*

The report lists the sales, pre-tax profits and assets of each company, together with the percentage change over the year. The information was taken from the latest audited accounts filed in December 2009, and comprises all manufacturing organisations with a functioning head office or registered office at which directors are based within Berkshire, Dorset, Hampshire, Isle of Wight, Surrey, Sussex and Wiltshire.

For a copy of the full report email [zizzy.jockelson@thomaseggar.com](mailto:zizzy.jockelson@thomaseggar.com)

'...a general ban on practices which contravene the requirements of professional diligence... and which materially distort or are likely to distort the economic behaviour of the average consumer...'

# Are you ready for the new consumer protection regime? No more 'hard sell'...

## The Consumer Protection from Unfair Trading Regulations 2008 FAQs

This is a brief guide to the Consumer Protection from Unfair Trading Regulations 2008 (the 'Consumer Regulations').

### What are the Consumer Regulations all about?

The Consumer Regulations came into force on 26 May 2008, subject to parliamentary approval. The Consumer Regulations:

- introduce a general duty on business not to trade unfairly; and
- require businesses not to mislead consumers through acts or omissions or subject them to aggressive commercial practices.

The aim of the Consumer Regulations is to strengthen the UK's consumer protection regime and improve cross-border trade, as well as make it easier for enforcers to take action.

### Who's a trader and who's a consumer?

A trader is a natural or legal person acting in the course of his trade, business, craft or profession. A consumer is a natural person who is not acting in the course of his trade, business, craft or profession.

### What are 'commercial practices'?

'Business-to-consumer commercial practices' (or 'commercial practices') include any act, omission, course of conduct, representation or commercial communication by a trader promoting, selling or supplying a product to consumers. The definition of a 'commercial

practice' in the Consumer Regulations applies in circumstances where the consumer provides the goods (for example, a used car) and the trader (for example, a motor dealer) pays the price.

The practice may occur before, during or after (for example, in relation to debt collection, after sales services or cancellation of a contract) a commercial transaction in relation to a product.

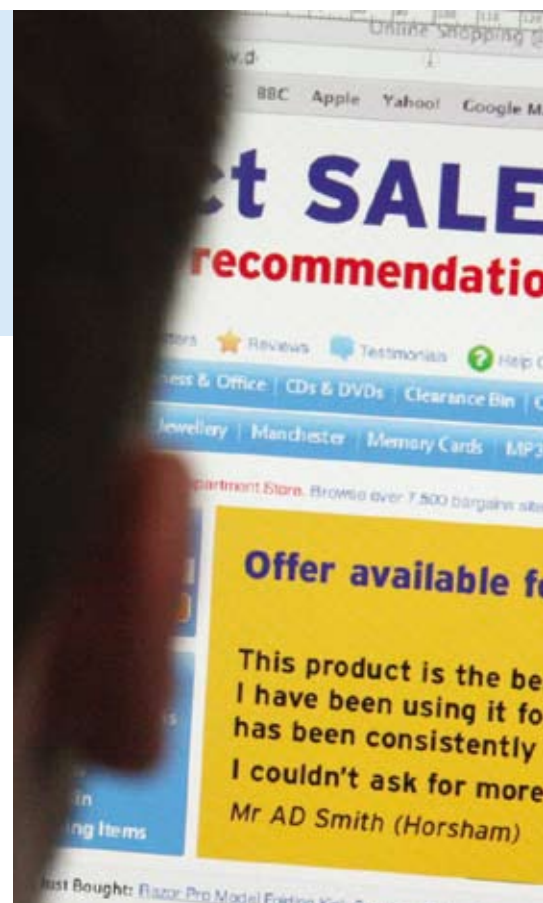
### What are 'products'?

Products include goods and services, rights and obligations and range from simple products such as an item of clothing to the complex services involved in selling a house.

### What sort of 'unfair practices' are covered?

The Consumer Regulations introduce a general prohibition on traders in all sectors from engaging in unfair commercial (mainly marketing and selling) practices against consumers. These fall into the following categories:

- a general ban on practices which contravene the requirements of professional diligence (namely, engaging in honest market practice/good faith) and which materially distort or are likely to distort the economic behaviour of the average consumer with regard to the product. This is intended to act as a safety-net to catch practices which do not fall within the categories below;
- commercial practices which are misleading, whether by action or omission;
- aggressive practices that use harassment, coercion or undue influence; and
- the Regulations ban 31 specific practices outright. These practices are always considered to be unfair.



## Who can bring an action under the Consumer Regulations?

Persons or organisations with a legitimate interest may take legal action against and/or bring unfair commercial practices before the Office of Fair Trading and local Trading Standards Services.

## Who will enforce the Consumer Regulations?

Enforcement of the Consumer Regulations will fall to the Office of Fair Trading and local Trading Standards Services, who will be given wide-ranging investigative powers and will have the authority to initiate formal injunctive actions as well as criminal prosecutions. The authorities are provided with investigative powers including powers to make test purchases and to enter premises with or without a warrant.

## The Business Protection from Misleading Marketing Regulations 2008 FAQs

This is a brief guide to the Business Protection from Misleading Marketing Regulations 2008 (the 'Business Regulations').

### What are The Business Protection from Misleading Marketing Regulations 2008 all about?

The Business Regulations came into force on 26 May 2008. The Business Regulations will ensure continued



business protections following the repeal of certain legislation, which protects both businesses and consumers. The Business Regulations:

- prohibit misleading business-to-business advertising; and
- set out the conditions under which comparative advertisements (those adverts identifying a competitor or a competitor's product) are permitted.

### Who will enforce the Business Regulations?

The Office of Fair Trading and local weights and measures authorities are given the power to take proceedings for an injunction to secure compliance with the Business Regulations. They are also given powers to investigate whether there has been a breach of the Business Regulations, including a power to make test purchases and powers to enter premises with or without a warrant.

### What are the defences to a claim under the Consumer Regulations or the Business Regulations?

A person has a defence to a claim of misleading advertising:

- if he can prove that the offence was due to mistake, reliance on information supplied by another person, the act or default of another person, an accident or another cause beyond his control and he that took all reasonable precautions and due diligence to avoid the offence (the due diligence defence); or

- in the case of advertisements, if he can prove that his business is the publishing of advertisements, he received the advertisement in the ordinary course of business and did not know that publication would be an offence (the 'mere conduit' defence).

### What are the penalties for committing an offence under the Consumer Regulations or the Business Regulations?

The penalty for an offence brought before a Magistrates' Court is a fine not exceeding £5,000. If the offence is taken to the Crown Court, an unlimited fine or a sentence of up to two years' imprisonment, or both, may be imposed. The trader will also need to pay the prosecution's legal costs, as well as his own. In addition, an investigation can take up a great deal of business time and, therefore, internal cost. Add to that the negative impact that the adverse publicity could have on a business and you will see that being prepared makes sense.

### What does this mean for directors of companies?

Where offences have been committed by corporate bodies, the Consumer Regulations and the Business Regulations provide for the prosecution of an officer (that is, a director, manager, secretary or similar officer and anyone purporting to act as such) as well as the corporate body, if the offence has been committed with the consent or connivance of the officer or is attributable to any neglect on his part. If convicted, a director may be disqualified from acting as such.

If you have any queries or require more information about any aspect of the Consumer Regulations or the Business Regulations, please contact [Richard Hastings \(023 8083 1216\)](mailto:richard.hastings@thomaseggar.com) [richard.hastings@thomaseggar.com](mailto:richard.hastings@thomaseggar.com)

## Panel discussion

### Issues facing directors today: your questions answered

At Thomas Eggar LLP we have seen an increasing number of queries from directors about their role and responsibilities. This panel discussion is aimed at providing you with an in-depth look at the issues you face, and allows us to answer your questions on a broad range of matters.

The panel will be made up of partners from across the firm, discussing topics such as:

- Obligations of Directors
- Protection of Directors
- Directors' relationship with stakeholders
- The death of a Director/ Shareholder—the implications for the company
- Tax efficient planning and value extraction for Directors/ Shareholders
- Employment law issues facing Directors

### Dates and locations

**Tuesday 2 March 2010**  
Thomas Eggar LLP, Chichester office

**Wednesday 10 March 2010**  
Thomas Eggar LLP, Southampton office

**Thursday 18 March 2010**  
Thomas Eggar LLP, London office

**Tuesday 23 March 2010**  
Thomas Eggar LLP, Gatwick office

**Tuesday 30 March 2010**  
Thomas Eggar LLP, Newbury office

Registration for each session will start at 5.30pm, with the discussion commencing at 6pm.

To register your place at this event please email [zizzy.jockelson@thomaseggar.com](mailto:zizzy.jockelson@thomaseggar.com) or call Zizzy on 01293 742829

Please state your preferred date/ location when booking. Directions and further details will follow upon receipt of booking confirmation.

*Continued from front page*

best interests of the company as a whole which should be the aim of every director.

In order to properly manage their company's risk a director's first responsibility must be to review and identify the potential risks. Under certain circumstances 'risk' could be several different issues, for instance:

- Risk to business:
  - from competitors;
  - from employees with insufficient post-employment protection for the company;
  - from insufficient contract or asset (such as Intellectual Property) protection;
  - from inadequate debt collection procedure;
- Risk at board level:
  - ensuring decisions are taken at the appropriate level;
  - reviewing safeguards to protect the company from claims of excessive remuneration;
  - maintaining adequate levels of insurance for the company and its officers;
- Risk at shareholder level:
  - are the company's articles of association up to date?
  - do the company's articles of association have a mechanism for resolving shareholder deadlock/dispute?

Directors, their role and the way in which they perform their duties are coming under greater and greater scrutiny. More is expected of directors by the Court, by regulators and a company's members as the role of a director is viewed increasingly as being akin to that of a professional in terms of the expectations placed upon them and the actions they take.

Often companies are set up to afford individuals protection from personal liability by use of a corporate structure, however, in the current climate those directors who fail to pay heed to the principles of good corporate governance will find that the corporate structure is not quite as protective as they may wish.

For further information on this article please contact David O'Hanlon [david.o'hanlon@thomaseggar.com](mailto:david.o'hanlon@thomaseggar.com) (01293 742803)

## Director update

The current downturn in the economic climate continues to see many companies suffer vastly reduced profits, financial difficulty and insolvency.

Alongside this there has been a dramatic increase in the number of directors facing personal liability for company losses as a result of decisions made whilst trading; it is clear that the law behind director's duties is now more important than ever.

The Companies Act 2006 provides that a director's core duty is to promote the success of the company for the benefit of its members (section 172(1)). However, when a company finds itself in financial difficulty such that insolvency is likely (ie if its liabilities exceed its assets, or it is unable to meet its debts as they fall due), the interests of potential creditors must then be considered.

### Director disqualification

If the court considers a director, by virtue of his conduct, unfit to be involved in the management of a company, it has power to disqualify that director (or person acting in that capacity) from being involved in the promotion, formation or management of a company for a minimum of two years (section 1 Company Directors Disqualification Act 1986). There are strict reporting duties on liquidators, administrative receivers and administrators to record acts of directors, and in considering a director's 'unfitness' a court may consider a wide range of matters.

### Practical tip

Remember the Revenue and Customs should be treated equally with other creditors - don't hold back on crown creditors while paying trade creditors just to keep the business going - it is one of the problems which often results in a Disqualification Order being made.

For further information on this article please contact Caroline Armitage [caroline.armitage@thomaseggar.com](mailto:caroline.armitage@thomaseggar.com) (023 8083 1206)



The contents of this brochure are intended as guidelines for clients and other readers. It is not a substitute for considered advice on specific issues. Consequently, we cannot accept any responsibility for this information or for any errors or omissions.

Thomas Eggar LLP is a limited liability partnership registered in England and Wales under registered number OC326278 whose registered office is at The Corn Exchange, Baffin's Lane, Chichester, West Sussex, PO19 1GE (VAT number 209582159). The word 'partner' refers to a member of the LLP, or an employee or consultant with equivalent standing and qualifications. A list of the members of the LLP is displayed at the above address, together with a list of those non-members who are designated as partners. Regulated by the Solicitors Regulation Authority. Lexcel and Investors in People accredited.

Thomas Eggar LLP is 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 administering of insurance contracts. This part of our business, including arrangements for complaints and redress if something goes wrong, is regulated by the Solicitors Regulation Authority. The register can be accessed via the Financial Services Authority website. We can also provide certain further limited investment services to clients if those services are incidental to the professional services we have been engaged to provide as solicitors.

Thesis Asset Management plc, our associated financial services company, provides a comprehensive range of investment services and advice. Thesis is owned by members of Thomas Eggar LLP but is independent of and separate to it. No lawyer connected with Thomas Eggar LLP provides services through Thesis as a practicing lawyer regulated by the Solicitors Regulation Authority. Thesis is authorised and regulated by the Financial Services Authority. Thesis has its own framework of investor protection and professional indemnity cover but Thesis clients do not enjoy the statutory protection of solicitors' clients.

Chichester Gatwick London Newbury Southampton Worthing  
Telephone 0870 160 1300 [www.thomaseggar.com](http://www.thomaseggar.com)