

STANDARD TERMS OF BUSINESS

1 Applicable law

- 1.1 This 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 (including the firm's terms of business) and any matter arising from it. Each party irrevocably waives any right it may have to object to an action being brought in those Courts, to claim that the action has been brought in an inconvenient forum, or to claim that those Courts do not have jurisdiction.
- 1.2 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.
- 1.3 The advice we give you is for your sole use and is confidential to you and will not constitute advice for any third party to whom you may communicate it. We will accept no responsibility to third parties for any aspect of our professional services or work that is made available to them.

2 Quality of service

We aim to provide you with a fully satisfactory service and the engagement principal will seek to ensure that this is so. If, however, you are unable to resolve any difficulty to your satisfaction please contact another principal on 01296 682943 for Hampshire clients or 02392 264007 for Wingrave clients. We undertake to look into any complaint carefully and promptly and to do all we can to explain the position to you. If we do not answer your complaint to your satisfaction you may of course take up the matter with the Institute of Chartered Accountants in England and Wales (ICAEW).

3 External review

As part of our ongoing commitment to providing a quality service, our files are periodically reviewed by an independent regulatory or quality control body. These reviewers are highly experienced and professional people and, of course, are bound by the same rules for confidentiality as us.

4 Conflicts of interest

We will inform you if we become aware of any conflict of interest in our relationship with you or in our relationship with you and another client. Where conflicts are identified which cannot be managed in a way that protects your interests then we regret that we will be unable to provide further services.

If there is a conflict of interest that is capable of being addressed successfully by the adoption of suitable safeguards to protect your interests then we will adopt those safeguards. Where possible this will be done on the basis of your informed consent.

5 Internal disputes within a client

If we become aware of a dispute between the parties who own or are in some way involved in the ownership and management of the business, it should be noted that our client is the business and we would not provide information or services to one party without the express knowledge and permission of all parties. Unless otherwise agreed by all parties we will continue to supply information to the normal place of business for the attention of the directors or proprietors. If conflicting advice, information or instructions are received from different principals in the business

we will refer the matter back to the board of directors or the partnership and take no further action until the board or partnership has agreed the action to be taken.

6 Professional rules and practice guidelines

We will observe and act in accordance with the bye-laws, regulations and Code of Ethics of the ICAEW and accept instructions to act for you on this basis. In particular you give us the authority to correct errors made by HMRC 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. You can see copies of these requirements in our offices. The requirements are also available on the internet at www.icaew.com/regulations.

7 The Provision of Services Regulations 2009

7.1 We are registered to carry on audit work in the UK and Ireland by the ICAEW. Details of our audit registration can be viewed at www.auditregister.org.uk for the UK and for Ireland at www.cro.ie/auditors under reference number C003494561. We confirm that we are Statutory Auditors eligible to conduct audits under the Companies Act 2006. When conducting audit work we are required to comply with the Ethical Standards for Auditors which can be accessed on the internet at www.frc.org.uk/Our-Work/Codes-Standards/Audit-and-assurance/Standardsand-guidance/Standards-and-guidance-for-auditors/Ethical-standards-for-auditors.aspx

7.2 Our professional indemnity insurer is Brit Insurance, The Leadenhall Building, 122 Leadenhall Street, London, EC3V 4AB. 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 or Canada.

8 Confidentiality

8.1 Where you give us confidential information, we confirm that we shall at all times keep it confidential, other than as required by law, by our insurers, or as provided for in regulatory (including external peer reviews), ethical or other professional statements relevant to our engagement.

8.2 We may subcontract our work to other professionals within the sector. Any subcontractors are also bound by our client confidentiality terms.

9 Data Protection

9.1 In this clause 9, the following definitions shall apply:

‘client personal data’ means any personal data provided to us by you, or on your behalf, for the purpose of providing our services to you, pursuant to our engagement letter with you;

‘data protection legislation’ means all applicable privacy and data protection legislation and regulations including PECR, the GDPR and any applicable national laws, regulations and secondary legislation in the UK relating to the processing of personal data and the privacy of electronic communications, as amended, replaced or updated from time to time;

‘controller’, ‘data subject’, ‘personal data’, and ‘process’ shall have the meanings given to them in the data protection legislation;

‘GDPR’ means the General Data Protection Regulation ((EU) 2016/679); and

'PECR' means the Privacy and Electronic Communications (EC Directive) Regulations 2003 (SI 2426/2003).

- 9.2 We shall each be considered an independent data controller in relation to the client personal data. Each of us will comply with all requirements and obligations applicable to us under the data protection legislation in respect of the client personal data.
- 9.3 You shall only disclose client personal data to us where:
- (i) you have provided the necessary information to the relevant data subjects regarding its use (and you may use or refer to our privacy notice available at <https://www.taylor-roberts.co.uk/privacy-cookie-policy> for this purpose);
 - (ii) you have a lawful basis upon which to do so, which, in the absence of any other lawful basis, shall be with the relevant data subject's consent; and
 - (iii) you have complied with the necessary requirements under the data protection legislation to enable you to do so.
- 9.4 Should you require any further details regarding our treatment of personal data, please contact our data protection point of contact by emailing enquiries@taylor-roberts.co.uk.
- 9.5 We shall only process the client personal data:
- (i) in order to provide our services to you and perform any other obligations in accordance with our engagement with you;
 - (ii) in order to comply with our legal or regulatory obligations; and
 - (iii) where it is necessary for the purposes of our legitimate interests and those interests are not overridden by the data subjects' own privacy rights. Our privacy notice (available at <https://www.taylor-roberts.co.uk/privacy-cookie-policy>) contains further details as to how we may process client personal data.
- 9.6 For the purpose of providing our services to you, pursuant to our engagement letter, we may disclose the client personal data to our regulatory bodies or other third parties (for example, our professional advisors or service providers). We will only disclose the client personal data to a third party (including a third party outside of the EEA) provided that the transfer is undertaken in compliance with the data protection legislation.
- We may disclose the client personal data to other third parties in the context of a possible sale, merger, restructuring or financing of or investment in our business. In this event we will take appropriate measures to ensure that the security of the client personal data continues to be assured in accordance with data protection legislation. If a change happens to our business, then the new owners may use our client personal data in the same way as set out in these terms.
- 9.7 We shall maintain commercially reasonable and appropriate security measures, including administrative, physical and technical safeguards, to protect against unauthorised or unlawful processing of the client personal data and against accidental loss or destruction of, or damage to, the client personal data.

9.8 In respect of the client personal data, provided that we are legally permitted to do so, we shall promptly notify you in the event that:

(i) we receive a request, complaint or any adverse correspondence from or on behalf of a relevant data subject, to exercise their data subject rights under the data protection legislation or in respect of our processing of their personal data;

(ii) we are served with an information, enforcement or assessment notice (or any similar notices), or receive any other material communication in respect of our processing of the client personal data from a supervisory authority as defined in the data protection legislation (for example in the UK, the Information Commissioner's Officer); or

(iii) we reasonably believe that there has been any incident which resulted in the accidental or unauthorised access to, or destruction, loss, unauthorised disclosure or alteration of, the client personal data.

9.9 Upon the reasonable request of the other, we shall each co-operate with the other and take such reasonable commercial steps or provide such information as is necessary to enable each of us to comply with the data protection legislation in respect of the services provided to you in accordance with our engagement letter with you in relation to those services.

10 Electronic communication

10.1 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 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.

10.2 It is the responsibility of the recipient to carry out a virus check on any attachments received.

10.3 We use a secure electronic portal supplied by a third party to transmit all sensitive data in order to comply with the 2011 Privacy and Electronic Communications Regulations and The Data Protection Act 1998.

Your access to the portal is personal to you and you must take all steps necessary to ensure no other person is permitted to gain access to the service by using your login details. Under no circumstances should you keep a written or electronic records of your login details in a form which could reasonably be accessed by another person.

Should you wish to opt out of the electronic portal you should notify Taylor Roberts in writing and as a result all sensitive data will be sent via Royal Mail.

11 Retention of and access to records

11.1 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 accounts and returns.

11.2 Whilst certain documents may legally belong to you, we intend to destroy correspondence and other papers that we store which are more than seven years old, other than documents which we consider to be of continuing significance. If you require retention of any document you must

notify us of that fact in writing. We will reserve the right to charge for holding records for greater than 12 months.

12 Money Laundering

In common with all accountancy and legal practices the firm is required by the Proceeds of Crime Act 2002 and the Money Laundering Regulations:

- maintain identification procedures for all new clients;
- maintain records of identification evidence obtained, and
- report, in accordance with the relevant legislation and regulations.

As with other professional services firms, we are required to identify our clients for the purposes of the UK anti-money laundering legislation. We may request from you, and retain, such information and documentation as we require for these purposes and/or make searches of appropriate databases.

A duty under section 330 of the Proceeds of Crime Act 2002 (POCA) is imposed upon us to report to the National Crime Agency (NCA) 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 constitutes a criminal offence.

The offence of money laundering is defined in the POCA and includes concealing, converting, using or processing 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 benefit.

The law obliges us to report any suspicion of money laundering to NCA without your knowledge or consent. We may commit a criminal offence of tipping off if we were to inform you that a report had been made. As a result, neither the firm's principals nor staff may enter into any correspondence or discussion with you regarding such matters.

We are not obliged to undertake work for the sole purpose of identifying suspicions of money laundering.

13 Investment advice – exempt regulated activities

13.1 Although we are not authorised by the Financial Conduct Authority to conduct Investment Business, we are licensed by the ICAEW to provide certain limited investment services where these are complementary to, or arise out of, the professional services we are providing to you.

13.2 Such assistance may include the following:

- advising you on investments generally, but not recommending a particular investment or type of investment;
- referring you to a Permitted Third Party (PTP) (an independent firm authorised by the FCA) and assisting you and the authorised third party during the course of any advice given by that party. This may include comment on, or explanation of, the advice received (but we will 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. The firm may receive commission from such an introduction, in which case you will be fully informed of the expected size and nature of such commission at the time of the introduction.

- advising on the sale of a contractually based investment other than disposing of any rights or interests which you may have as a member of a personal pension scheme;
 - advising and assisting you in transactions concerning shares or other securities not quoted on a recognised exchange;
 - managing investments or acting as trustee (or donee of a power of attorney) where decisions to invest are taken on the advice of an authorised person;
- 13.3 We may also, on the understanding that the shares or other securities of the company are not publicly traded:
- advise the company, existing or prospective shareholders in relation to exercising rights, taking benefits or share options valuation and methods;
 - arrange any agreements in connection with the issue, sale or transfer of the company's shares or other securities;
 - arrange for the issue of the new shares; and
 - act as the addressee to receive confirmation of acceptance of offer documents etc.
- 13.4 If you are dissatisfied in any way with our services described in this section, you should follow the procedures set out in the "Quality of Service" section above. In the unlikely event that we cannot meet our liabilities to you, you may be able to claim compensation under the Chartered Accountants' Compensation scheme.

14 Client monies

- 14.1 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 ICAEW.
- 14.2 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 Bank of England for small deposits subject to the minimum period of notice for withdrawals.
- 14.3 If the total sum of money held on your behalf exceeds £10,000 for a period of more than 30 days, or such sum is likely to be held for more than 30 days, 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 gross.
- 14.4 We will return monies held on your behalf promptly as soon as there is no longer any reason to retain those funds. If any funds remain in our client account that are unclaimed and the client to which they relate has remained untraced for five years or we as a firm cease to practise then we may pay those monies to a registered charity.

15 Intellectual property rights

We will retain all copyright in any document prepared by us during the course of carrying out the engagement save where the law specifically provides otherwise.

16 Fees and payment terms

Our fees may depend not only upon the time spent on your affairs but also on the level of skill and responsibility and the importance and value of the advice that we provide, as well as the level of risk.

If we provide you with an estimate of our fees for any specific work, then the estimate will be an approximation rather than a contractually binding amount.

In some cases, you may be entitled to assistance with your professional fees, particularly in relation to an investigation into your affairs by HM Revenue & Customs. Assistance may be provided through insurance policies you hold or via membership of a professional or trade body. Other than where such cover was arranged by or through ourselves you will need to advise us of any such insurance cover that you have. You will remain liable for our fees regardless of whether all or part are liable to be paid by your insurers.

Our payment terms are strictly 30 days net from date of invoice. Our fees are exclusive of VAT which will be added where it is chargeable. Any disbursements we incur on your behalf and expenses incurred in the course of carrying out our work for you will be added to our invoices where appropriate.

We reserve the right to charge interest on late paid invoices at the rate of 2% per month. We also reserve the right to suspend our services or to cease to act for you on giving written notice if payment of any fees is unduly delayed. We intend to exercise these rights only where it is fair and reasonable to do so.

If you do not accept that an invoiced fee is fair and reasonable you must notify us within 14 days of receipt, failing which you will be deemed to have accepted that payment is due.

If a client company, trust or other entity is unable or unwilling to settle our fees we reserve the right to seek payment from the individual giving us instructions on behalf of the client and you agree that we shall be entitled to enforce any sums due.

17 Lien

Insofar as we are permitted to so by law or professional guidelines, we reserve the right to exercise a lien over all funds, documents and records in our possession relating to all engagements for you until all outstanding fees and disbursements are paid in full.

18 Limitation of liability

We will provide our services with reasonable care and skill. Our liability to you is limited to losses, damages, costs and expenses caused by our negligence or wilful default.

Exclusion of liability for loss caused by others

We will not be liable if such losses, penalties, surcharges, interest or additional tax liabilities are due to the acts or omissions of any other person or due to the provision to us of incomplete, misleading or false information or if they are due to a failure to act on our advice or a failure to provide us with relevant information.

Exclusion of liability in relation to circumstances beyond our control

We will not be liable to you for any delay or failure to perform our obligations under this engagement letter if the delay or failure is caused by circumstances outside our reasonable control.

Exclusion of liability relating to the discovery of fraud etc

We will not be responsible or liable for any loss, damage or expense incurred or sustained if information material to the service we are providing is withheld or concealed from us or misrepresented to us. This applies equally to fraudulent acts, misrepresentation or wilful default on the part of any party to the transaction and their directors, officers, employees, agents or advisers.

This exclusion shall not apply where such misrepresentation, withholding or concealment is or should (in carrying out the procedures which we have agreed to perform with reasonable care and skill) have been evident to us without further enquiry.

Indemnity for unauthorised disclosure

You agree to indemnify us and our agents in respect of any claim (including any claim for negligence) arising out of any unauthorised disclosure by you or by any person for whom you are responsible of our advice and opinions, whether in writing or otherwise. This indemnity will extend to the cost of defending any such claim, including payment at our usual rates for the time that we spend in defending it.

19 Period of engagement and termination

Unless otherwise agreed in the engagement covering letter our work will begin when we receive your implicit or explicit acceptance of that letter. Except as stated in that letter we will not be responsible for periods before that date.

Each of us may terminate this agreement by giving not less than 21 days notice in writing to the other party except where you fail to cooperate with us or we have reason to believe that you have provided us or HM Revenue & Customs with misleading information, in which case we may terminate this agreement immediately. Termination will be without prejudice to any rights that may have accrued to either of us prior to termination.

In the event of termination of this contract, we will endeavour to agree with you the arrangements for the completion of work in progress at that time, unless we are required for legal or regulatory reasons to cease work immediately. In that event, we shall not be required to carry out further work and shall not be responsible or liable for any consequences arising from termination.

20 Interpretation

If any provision of our engagement letter or these terms of business is held to be void, then that provision will be deemed not to form part of the contract. In the event of any conflict between these terms of business and the engagement letter or appendices, the relevant provision in the engagement letter or schedules will take precedence.