

Standard Terms of Business

The following standard terms of business apply to all engagements accepted by McEwan Wallace Limited. All work carried out is subject to these terms except where changes are expressly agreed in writing.

1. Professional obligations

- 1.1. We are a member of the Institute of Chartered Accountants in England and Wales and in our conduct are subject to its Code of Ethics which can be found at www.icaew.com/membershandbook section 3. This is available in English.
- 1.2. Details of the firm's professional registrations can be found at www.mcwallace.co.uk/about-us.
- 1.3. We will observe and act in accordance with 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 this basis. In particular you give us authority to correct errors made by HM Revenue and Customs 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. Copies of these requirements are available for inspection in our offices. Details of the ICAEW 'Code of Ethics' can be found at www.icaew.com/regulations-standards-and-guidance, and the Auditing Practice Board Ethical Standards at www.frc.org.uk/Our-Work/Codes-Standards/Audit-and-assurance/Standards-and-guidance/Standards-and-guidance-for-auditors/Ethical-standards-for-auditors.aspx.

Professional indemnity insurance

- 1.4. In accordance with the disclosure requirements of the Services Regulations 2009, our professional indemnity insurer is AIG Europe Limited, of AIG Building, 58 Fenchurch Street, London, EC3M 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 of America or Canada.

2. Investment services

- 2.1. Although we are not authorised by the Financial Conduct Authority (FCA) to conduct investment business, we are licensed by The Institute of Chartered Accountants in England and Wales to provide certain limited investment services where these are complementary to, or arise out of, the professional services we are providing to you.
- 2.2. In particular, we may:
 - advise you on investments generally, but not recommend a particular investment or type of investment;
 - refer you to a Permitted Third Party (PTP) (an independent firm authorised by the FCA), assist you and the PTP during the course of any advice given by that party and comment on, or explain, the advice received (but 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;

- advise you in connection with the disposal of an investment, other than your rights in a pension policy or scheme;
- advise and assist you in transactions concerning shares or other securities not quoted on a recognised exchange;
- assist you in making arrangements for transactions in investments in certain circumstances; and
- manage investments or act as trustee (or donee of a power of attorney) where decisions to invest are taken on the advice of an authorised person.

2.3. 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, valuations and methods of such valuations;
- arrange any agreements in connection with the issue, sale or transfer of the company's shares or other securities;
- arrange for the issue of new shares; and
- act as the addressee to receive confirmation of acceptance of offer documents etc.

2.4. 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 in respect of exempt regulated activities undertaken.

2.5. We are not authorised by the Financial Conduct Authority. However, we are included on the Register maintained by the Financial Conduct Authority so that we can carry on insurance mediation activity, which is broadly the advising on, selling, and administration of insurance contracts. This part of our business, including arrangements for complaints or redress if something goes wrong, is regulated by the Institute of Chartered Accountants in England and Wales. The register can be accessed via the Financial Conduct Authority website at <https://register.fca.org.uk>

2.6. The firm may receive commission from any introduction to a PTP in connection with the above, in which case you will be fully informed of the expected size and nature of such commission at the time of the introduction. Such commission will be held in our clients' account until we receive instructions from you as to how it should be treated. In the event of no such instructions being received, we may use such monies against any fees that have been outstanding for 30 days or more and concerning which you are not in dispute with us.

2.7. We may also request that you allow us to retain such commissions to cover our costs in connection with the above, but permission will be sought separately from you in these circumstances. If you are dissatisfied in any way about our services described in this section, you should follow the procedures set out in the 'Help us to give you the right service' section of this letter.

Financial Promotions

2.8. To enable us to provide you with a proper service, there may be occasions when we will need to contact you without your express permission concerning investment business matters. For example, it may be in your interests to sell a particular investment and we would wish to inform you of this. We may therefore contact you in such circumstances, but would only do so in our normal office hours of 8.45am to 5.00pm. We shall of course comply with any restrictions you may wish to impose which you notify to us in writing.

3. Commissions or other benefits

- 3.1. Commissions or other benefits may sometimes become payable to us in respect of introductions to other professionals or transactions we arrange for you, in which case you will be notified in writing of the amount, the terms of payment and receipt of any such commissions or benefits. You consent to such commissions or other benefits being retained by us without our being liable to account to you for any such amounts.

4. Client monies

- 4.1. 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 Institute of Chartered Accountants in England and Wales.
- 4.2. 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 HSBC Bank plc for small deposits subject to the minimum period of notice for withdrawals. Subject to any tax legislation, interest will be paid gross.
- 4.3. 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.
- 4.4. We will return monies held on your behalf promptly as soon as there is no longer any reason to retain those funds. In the unlikely event of us holding any unclaimed monies we reserve the right to pay such monies to a registered charity in line with the guidelines set out in the Clients' Money Regulations referred to above. We will not do this unless we have been unable to contact you for at least five years and we have taken reasonable steps to trace you and return the monies.

5. Fees

- 5.1. Our fees are computed on the basis of time spent on your affairs by the principals and our staff, and on the levels of skill and responsibility involved, or as otherwise agreed. In all cases our fees will include out-of-pocket expenses and VAT will be charged at the appropriate rate.
- 5.2. If it is necessary to carry out work outside the responsibilities outlined in this letter we will advise you in advance. Any additional work will involve additional fees. Accordingly we would like to point out that it is in your interests to ensure that your records etc. are completed to the agreed stage.
- 5.3. Invoices are payable in full (including disbursements) in accordance with the terms set out on the invoice. If you do not accept that an invoiced fee is fair and reasonable you must notify us within 21 days of receipt, failing which you will be deemed to have accepted that payment is due.
- 5.4. It is our normal practice to request that clients make arrangements to pay a proportion of their fee monthly. Our preference is to receive a Direct Debit. These monthly payments will be applied to fees arising from work agreed in the letter of engagement for the current and ensuing years. Once we have been able to assess the amount of work and time involved we would be grateful if you would agree to pay an amount to us on a regular basis.
- 5.5. We reserve the right to add an interest charge in accordance with the Late Payment of Commercial Debts (interest) Act 1998, on any bills remaining unpaid 30 days after presentation. We also reserve the right to terminate our engagement and cease acting if

payment of any fees billed is unduly delayed. We accept settlement of fees by certain credit cards.

- 5.6. In the event that this firm ceases to act in relation to your company's affairs you agree to meet all reasonable costs of providing information to the company's new advisers. In particular you agree to meet these costs where we are required by law to provide information to a successor firm.

6. Retention of and access to records

- 6.1. 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 and audit of your financial statements and returns. You should retain these records for at least seven years from the end of the accounting year to which they relate. You should retain them for longer if HM Revenue and Customs enquire into your tax return.
- 6.2. Whilst certain documents may legally belong to you, unless you tell us not to, 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.

7. Conflicts of interest and independence

- 7.1. We reserve the right during our engagement with you to deliver services to other clients whose interests might compete with yours or are or may be adverse to yours, subject to 8 below. We confirm that we will notify you immediately should we become aware of any conflict of interest involving us and affecting you.
- 7.2. If a conflict of interest should arise, either between two or more of our clients, or in the provision of multiple services to a single client, we will take such steps as are necessary to deal with the conflict. In resolving the conflict, we would be guided by the Code of Ethics of the Institute of Chartered Accountants in England and Wales which can be viewed at www.icaew.com/membershandbook section 3, subsection 220.

8. Confidentiality

- 8.1. We confirm that 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 statements relevant to our engagement.

9. Quality control

- 9.1. As part of our ongoing commitment to providing a quality service, our files are periodically subject to an independent 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.

10. Help us to give you the right service & our complaints procedure

- 10.1. If at any time you would like to discuss with us how our service to you could be improved, or if you are dissatisfied with the service you are receiving, please let us know by telephoning Kris Billington.
- 10.2. We undertake to look into any complaint carefully and promptly and to do all we can to explain the position to you. If you feel that we have given you a less than satisfactory service, we undertake to do everything reasonable to address your concerns. If you are still not satisfied, you may of course take up matters with The Institute of Chartered Accountants in England and Wales.

ICAEW
Level 1, Metropolitan House
321 Avebury Boulevard
Milton Keynes
MK9 2FZ

Or email generalenquiries@icaew.com

10.3. 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 records 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 letters. 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 dates;
- either party being in breach of their obligations where this is not corrected within 30 days of being asked to do so.

10.4. In addition this agreement may be terminated for any reason if 90 days notice is given.

11. Applicable law

11.1. This Standard Terms of Business is governed by, and construed in accordance with, English law. The Courts of England will have exclusive jurisdiction in relation to any claim, dispute or difference concerning this engagement letter and any matter arising from it. Each party irrevocably waives any right it may have to object to any action being brought in those courts, to claim that the action has been brought in an inappropriate forum, or to claim that those courts do not have jurisdiction.

11.2. 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.

12. The law

12.1. We will not accept responsibility if you act on advice previously given by us without first confirming with us that the advice is still valid in light of any change in the law or your circumstances.

12.2. We will accept no liability for losses arising from changes in the law or the interpretation thereof that occur after the date on which the advice is given.

13. Electronic communication

13.1. Unless you instruct us otherwise we may, where appropriate, communicate with you and with third parties via email or by other electronic means. However, 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.

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

14. Data Protection Act 1998

- 14.1. We may obtain, use, process and disclose personal data about you in order that we may discharge the services agreed under this engagement letter, 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. You have a right of access, under data protection legislation, to the personal data that we hold about you. We confirm that when processing data on your behalf we will comply with the provisions of the Data Protection Act 1998. For the purposes of the Data Protection Act 1998, the Data Controller in relation to personal data supplied about you is Kris Billington.

- 14.2. Sections 11 and 12 of the Data Protection Act 1998 place express obligations on you as a data controller where we as a data processor undertake the processing of personal data on your behalf. An example would be where we operate a payroll service for you. We therefore confirm that we will at all times comply with the requirements of the Data Protection Act 1998 when processing data on your behalf. In particular we confirm that we have adequate security measures in place and that we will comply with any obligations equivalent to those placed on you as a data controller.

- 14.3. We may disclose your personal data to our associate companies so that we can provide our services to the high standards we consider appropriate. Such associate companies may include McEwan Wallace Wealth Management Ltd and Premier Payroll Centre Ltd. In signing the engagement letter, you agree that we may transfer your Personal Data to our associate companies.

15. Contracts (Rights to Third Parties) Act 1999

- 15.1. 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.
- 15.2. The advice that we give to you is for your sole use and does not constitute advice to any third party 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.

16. The Proceeds of Crime Act 2002 and the Money Laundering Regulations 2007

- 16.1. In common with all accountancy and legal practices, the firm is required by the Proceeds of Crime Act 2002 and the Money Laundering Regulations 2007 to:

- Maintain identification procedures for clients and beneficial owners of clients;
- Maintain records of identification evidence and the work undertaken for the client; and
- Report, in accordance with the relevant legislation and regulations.

- 16.2. 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 another person is 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.

16.3. The offence of money laundering is defined by section 340(11) of the Proceeds of Crime Act and includes concealing, converting, using or possessing 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.

- deliberate tax evasion;
- deliberate failure to inform the tax authorities of known underpayments or excessive repayments;
- fraudulent claiming of benefits or grants; or
- obtaining a contract through bribery.

16.4. We are obliged by law to report any instances of money laundering to SOCA without your knowledge or consent. In consequence, neither the firms' principals nor staff may enter into any correspondence or discussions with you regarding such matters.

16.5. 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 Consultative Committee of Accountancy Bodies.

17. General Limitation of liability

17.1. We will provide our professional services as outlined in this letter with reasonable care and skill. However, to the fullest extent permitted by law, we will not be responsible for any losses, penalties, surcharges, interest or additional tax liabilities where you or others supply incorrect or incomplete information, or fail to supply any appropriate information or where you fail to act on our advice or respond promptly to communications from us or other relevant authorities.

17.2. You will not hold us, our directors and staff, responsible, to the fullest extent permitted by law, for any loss suffered by you arising from any misrepresentation (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 we provide to you against any of our directors or employees personally.

17.3. Our work is not, unless there is a legal or regulatory requirement, to be made available to third parties without our written permission and we will accept no responsibility to third parties for any aspect of our professional services or work that is made available to them.

18. Use of our name in statements or documents issued by you

18.1. You are not permitted to use our name in any statement or document that you may issue unless our prior written consent has been obtained. The only exception to this restriction would be statements or documents that in accordance with applicable law are to be made public.

19. Draft/interim work or oral advice

19.1. In the course of our providing services to you we may provide advice or reports or other work products in draft or interim form, or orally. However final written work products will always prevail over any draft, interim or oral statements. Where you request it, we will provide you with written confirmation of matters stated orally.

20. Interception

- 20.1. If any provision of our engagement letter or terms of business is held to be void for whatever reason, then that provision will be deemed not to form part of this contract and no other provisions will be affected or impaired in any way. 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.

21. Staff

- 21.1. Our staff are assigned to you on the mutual understanding that neither party would offer employment to, nor employ, the staff of the other who has been involved during our assignment, or dealing with you, within 12 months unless written consent has been obtained from either party. If such consent is given either party reserves the right to bill an appropriate fee of 24% of the annual salary on appointment plus VAT.

22. About McEwan Wallace

- 22.1. McEwan Wallace is the trading name of McEwan Wallace Limited. Company number 06893764. Company registered in England & Wales. Registered office 68 Argyle Street, Birkenhead, CH41 6AF. A list of directors is available at the above address.

- 22.2. McEwan Wallace observes the bye-laws, regulations and ethical guidelines of the Institute of Chartered Accountants (England & Wales).

- 22.3. Full contact details for the firm are as follows:

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| Postal address | 68 Argyle Street Birkenhead Wirral CH41 6AF |
| Telephone | (0151) 647 6681 |
| Fax | (0151) 666 2115 |
| Email address | enquires@mcwallace.co.uk |
| Website | www.mcwallace.co.uk |
| VAT registration | 163 7345 57 |

- 22.4. The firm is registered to carry out audit work in the UK by the ICAEW. Details about the firm's audit registration can be viewed at www.audregister.org.uk, under reference number C003538369.

- 22.5. The firm is also registered to carry out audit work in Ireland by the ICAEW. Details about this registration can be viewed at www.cro.ie/en/online-services-auditor-search.aspx, under reference number EWC003538369.

- 22.6. The firm's audit work is carried out in accordance with Audit Regulations and Guidance, details of which can be found at www.icaew.com/auditnews, together with International Standards on Auditing (UK and Ireland), which are set out at www.frc.org.uk/apb.

23. Agreement of Terms

- 23.1. Please note that your continuing instructions will amount to your acceptance of these terms of business.