

Critchleys Standard Terms of Business

(Last Revised 25 May 2018)

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

1 Professional obligations

1.1 We shall observe the byelaws, regulations and ethical guidelines of the Institute of Chartered Accountants in England and Wales and accept instructions to act for you on the basis that we will act in accordance with those guidelines.

1.2 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 pronouncements applicable to this engagement.

1.3 We reserve the right to act during this engagement for other clients whose interests may be adverse to yours. We will notify you immediately should we become aware of any conflict of interest to which we are subject in relation to you.

2 Investment Advice

With the exception of Corporate Finance work, if during the provision of professional services to you, you need advice on investments, we may have to refer you to someone who is authorised by the Financial Conduct Authority.

3 Commissions or other benefits

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 Barclays 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.

5 Fees

5.1 Our fees will be calculated on the basis of time spent on your affairs by the person dealing with it, taking into account the levels of skill and responsibility involved, expenses incurred and the urgency, complexity or value to you. We may, with your accord, agree a different basis for calculation of our fees. We review our charging rates annually to take account of changes in our overhead costs.

5.2 If it is necessary to carry out work outside the responsibilities outlined in this letter it 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 Our terms relating to payment of amounts invoiced and not covered by standing orders, where appropriate, are strictly 30 days net. The Firm reserves the right to charge interest on overdue debts at the rate of 4% per annum over bank base rate.

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. You should retain these records for at least seven years from the end of the year to which they relate.

6.2 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.

7 Quality control

7.1 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.

8 Help us to give you the right service

- 8.1 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 the Director who is responsible for your affairs. If that does not resolve your complaint then you can contact the firm's Chairman, Mr R Kirtland or Chief Executive Officer, Mr J McGuigan.
- 8.2 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. In the event of an insolvency related complaint please refer to: <https://www.gov.uk/complain-about-insolvency-practitioner>.
- 8.3 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.
- 8.4 In addition this agreement may be terminated for any reason if 30 days notice is given.

9 Applicable law

- 9.1 This engagement letter 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.
- 9.2 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.

10 Internet 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.

11 Staff

- 11.1 Our staff are assigned to you on the mutual understanding that neither party will offer employment to, nor employ, the staff of the other who have been involved during our assignment, or dealing with you, within twelve months unless written consent has been obtained from the other party. If such consent is given then either party reserves the right to bill an appropriate fee of 25% of the annual salary on appointment plus VAT if applicable.

12 Data Protection

- 12.1 In this clause [12], 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).

- 12.2 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.
- 12.3 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.critchleys.co.uk/Help/Privacy-and-use-of-cookies> 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.
- 12.4 Should you require any further details regarding our treatment of personal data, please contact our Head of Privacy:
(dataprotection@critchleys.co.uk)
- 12.5 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.critchleys.co.uk/Help/Privacy-and-use-of-cookies> contains further details as to how we may process client personal data.
- 12.6 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 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.
- 12.7 Where you give us written instructions to process client personal data using a platform, service, software or system provided by a third party processor ('Platform') you have engaged or appointed we will process client personal data through that Platform using the user accounts and account credentials you supply to us. You will ensure all agreements between you and the processor or processors through whose Portal you instruct us to process client personal data include terms that will ensure compliance with article 28 of the GDPR. You acknowledge that you remain fully liable for all acts or omissions of the third-party processor and are responsible for ensuring that both you and the third party processor maintain appropriate technical and organisational measures to protect against unauthorised or unlawful processing of any client personal data and against accidental loss or destruction of, or damage to, such client personal data.
- 12.8 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.
- 12.9 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.
- 12.10 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.
- 13 Contracts (Rights of Third Parties) Act 1999**
- 13.1 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.

- 13.2 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.

14 Money Laundering

- 14.1 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 records of identification evidence obtained; and
- report in accordance with the relevant legislation and regulations.

- 14.2 We are required by law to check your identity; in order to verify the information you provide we may make searches about you with a credit reference or fraud prevention agency. These agencies will record the details of the search whether or not you become a client. We may ask you to supply at least one original document of confirmation of your identity, address or both which we will use along with any electronic checks we may perform. Any documents provided to us will be recorded and copied as part of our anti money laundering requirements.

- 14.3 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 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 would constitute a criminal offence.

- 14.4 The offence of money laundering is defined by section 340(11) of the Proceeds of Crime Act 2002 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.

This definition is very wide and would include such crimes as:

- 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.

- 14.5 We are obliged by law to report any instances of money laundering to SOCA without your knowledge or consent. In fact, we may commit the criminal offence of tipping off under section 333 of the Proceeds of Crime Act 2002 if we were to inform you that a report had been made. In consequence, neither the firms' principals nor staff may enter into any correspondence or discussions with you regarding such matters.

- 14.6 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 Institute of Chartered Accountants in England and Wales.

15 Limitation of liability

- 15.1 We will provide our professional services with reasonable care and skill. However, we will not be held responsible for any losses arising from the supply by you or others of incorrect or incomplete information, or your or others' failure to supply any appropriate information or your failure to act on our advice or respond promptly to communications from us or other relevant authorities.

- 15.2 You agree to hold harmless and indemnify us against any representation, whether 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 provided to you by the firm against any of our employees on a personal basis.

16 Referrals

- 16.1 We may refer you to one of our associated entities in the event of your needing specialist advice; namely Critchleys HR and Payroll LLP, Critchleys Financial Planning LLP and landtax LLP.

ⁱ these terms may from time to time be amended, and such amendments will be posted on the Critchleys website