

TERMS OF BUSINESS

The following terms of business apply to all engagements accepted by Davidson Stant Limited. All work is carried out under these terms except where changes are expressly agreed in writing.

1.0 Professional rules and practices guidelines.

1.1 We will observe and act in accordance with the bye-laws, regulations and ethical guidelines of The Institute of Chartered Accountants in England & Wales and will 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/membershandbook.

1.2 For audit work, this is the Audit Regulations and Guidance which can be found at www.icaew.com/auditnews. There are also the International Standards on Auditing (UK and Ireland) at www.frc.org.uk

2.0 Investment advice

2.1 Although we are not authorised by the Financial Conduct Authority 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. Such assistance may include the following:

- advising you on investments generally, but not recommending a particular investment or type of investment;
- referring you to 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 without making alternative recommendations). The third party will issue you with their own terms and conditions letter, will be remunerated separately for their services and will take full responsibility for compliance with the requirements of the relevant Financial Services and Markets Act. Davidson Stant 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 – see clause 16
- advising and assisting you in transactions concerning shares or other securities not quoted on a recognised exchange;
- 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.

The reference for Davidson Stant Limited on the Financial Conduct Authority (FCA) register of exempt professional firms is 13424. The register can be viewed at <https://register.fca.org.uk/>

We are not authorised to hold client money in connection with our Designated Professional Body activities. 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.

3.0 Client's money regulations

3.1 We may, from time to time, hold money on your behalf. The 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 Client's Money Regulations of the Institute of Chartered Accountants in England & Wales.

3.2 If the total sum of money held on your behalf is enough to give rise to a significant amount of interest or is likely to do so, then we will put the money in a designated interest-bearing client bank account and pay the interest to you. Subject to any tax legislation, interest will be paid gross.

4.0 Retention of records

4.1 All correspondence, papers and documents, whether addressed to us or generated for our internal purposes, relating to the Services or the subject matter of the Service that are in our possession or control shall be the sole property of Davidson Stant.

4.2 During our work we will collect information from you and others acting on your behalf and will return any original documents to you following preparation of your financial statements, information and tax work. You should retain them for 6 years from the following end of the accounting and tax year. You should retain them for longer if HM Revenue & Customs enquire into your tax return.

- 4.3 Whilst certain documents may legally belong to you, unless you tell us not to, we intend to destroy correspondence and other papers that are more than seven years old, except documents we think may be of continuing significance. You must tell us if you wish us to keep any document for any longer period.
- 5.0 Conflicts of interest and independence
- 5.1 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 6 below. We confirm that we will notify you immediately should we become aware of any conflict of interest involving us and affecting your company.
- 5.2 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/regulations/ethics , Code of Ethics section 310.
- 6.0 Confidentiality
- 6.1 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.
- 7.0 Liability
- 7.1 We will provide services as outlined in the engagement 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 the tax authorities.
- 7.2 In the event of any claim arising in respect of our professional services, you have agreed that the total fees quoted in the engagement letter represent the maximum total liability to you in respect of the firm and its directors, members and staff. This maximum total liability includes any claims in respect of breaches of contract, tort or otherwise in respect of the professional services and shall also include interest.
- 7.3 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.
- 7.4 In accordance with the disclosure requirements of the Provision of Services Regulations 2009, details of our professional indemnity insurer are available upon request from our office. 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.
- 8.0 Communication with you
- 8.1 We may communicate with you by email. As with other means of delivery this carries with it the risk of inadvertent misdirection or non-delivery. The recipient is responsible for carrying out a virus check on attachments.
- 8.2 Internet communications may be corrupted, and, we accept no responsibility for changes to such communications after their dispatch. It may therefore be advisable to get written confirmation of advice provided by email. We do not accept responsibility for any errors or problems that may arise through the use of the internet and you must accept all risks connected with sending commercially sensitive information relating to the company. If you do not accept this risk, you should notify us in writing that email is not acceptable to you.
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 current General Data Protection Regulation
- ‘PECR’ means the Privacy and Electronic Communications (EC Directive) Regulation 2003 (SI 2426/2003).

- 9.2 We shall only process your personal data:
- i in order to provide our services to you and perform any 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 legitimate interests and those interests are not overridden by the data subjects' own privacy rights. Our privacy notice (available at www.davidsonstant.co.uk) contains further details as to how we may process client personal data.
- 9.3 For the purpose of providing our services to you, pursuant to our engagement letter, we may disclose your personal data to our regulatory bodies or other third parties (for example, our professional advisors or service providers, such as Independent Financial Advisers, Insurance Brokers, Solicitors). We will only disclose your personal data to a third party provided that the transfer is undertaken in compliance with the data protection legislation.
- 10.0 Proceeds of Crime Act 2002 and the Money Laundering, Terrorist Financing and Transfer of Funds (information on the Payer) Regulations 2017
- 10.1 In common with all accountancy and legal practices, the firm is required by the Proceeds of Crime Act 2002 and the Money Laundering, Terrorist Financing and Transfer of Funds (information on the Payer) Regulations 2017 to:
- Have due diligence procedures for the identification of all clients;
 - Maintain appropriate records of evidence to support customer due diligence: and
 - Report in accordance with the relevant legislation and regulations.
- 10.2 We shall not be liable for any loss or damage caused by our taking any steps, delay or failing to take steps and/or ceasing to act where it is necessary (or we believe in good faith it is necessary) to comply with our obligation under this clause 10.
- 11.0 Quality control
- 11.1 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 our principal.
- 12.0 Help us give you the best advice.
- 12.1 We wish to provide a high quality of service at all times. 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 contacting Mark Stant.
- 12.2 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 issue with the Institute.
- 13.0 Contracts (Rights of Third Parties) Act 1999
- 13.1 Only someone who is a party to this agreement has the right under the Contracts (Rights of Third Parties) Act 1999 to enforce any of its terms. This clause does not affect any right or remedy that exists independently of the Act.
- 13.2 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.
- 14.0 Fees
- 14.1 Our fees are calculated on the basis of the time spent on your affairs by the directors and staff on the levels of skill or responsibility involved. Our fees will be billed monthly, together with outlays and VAT. Our invoices will be due for payment within 30 days of invoice date and are due for payment without any rights of deduction, set off or counter claim.
- 14.2 Wherever it is agreed for payments (or part payment) to be made by monthly standing order, we will assess the amount of work and time we anticipate will be involved, then agree with you the amounts and dates of such payments to be made. On such agreement you will promptly make the arrangements necessary to pay such amounts on such dates as may be agreed. You shall make any subsequent or balancing payments that may be due in accordance with clause 14.1.
- Fees paid by monthly standing order are paid on a rolling account basis with Davidson Stant. We will review charges and the monthly standing order amount at the end of each accounting year or during the year subject to clause 14.6. Charges will also be reviewed in the event of changes to your accountancy requirements. Any shortfall on the account may be requested to be paid as a balance payment in addition to the monthly standing order payment in order to bring the account up to date.
- 14.3 Unless otherwise agreed, our fees will be billed at appropriate intervals during the course of the year.
- 14.4 If we need to do work outside the responsibilities outlined in our engagement letter, we will advise you in advance. This will involve additional fees.

- 14.5 Where payment on completion of a transaction or transactions has been agreed, our fees will be due and payable on the completion date of the transaction. You hereby grant your irrevocable authority to the receiving solicitors in respect of such transaction to deduct either from the monies raised to finance the transaction or from the proceeds of the transaction and to pay to us at completion all fees, disbursements and expenses which are due or outstanding at that date.
- 14.6 Fees are subject to an annual review. We reserve the right to increase fees by a minimum of the prevailing Retail Price Index (RPI).
- 15.0 Non Payment of Invoices and Liability for Fees
- 15.1 If you have any query about your invoice, including the basis on which it has been calculated, you must write to us specifying your concern within 30 days of the date of the invoice. If you do not raise such a query, payment of the invoice shall be due in accordance with clause 14 above.
- 15.2 If you fail to pay any invoice within 30 days of the due date for payment we reserve the right to:
- suspend or terminate the provision of the services and any other work we are undertaking;
 - retain all property, documents and papers relevant to the matter for which our fees are unpaid;
 - take whatever legal remedy exists to obtain payment; and
 - charge interest at the rate of 4% above the base rate of the Bank of England from the due date.
- 15.3 You are primarily responsible for paying our fees, disbursements, expenses and any other charges that may be due in accordance with the Contract even if you have entered into an agreement for another party to pay or share them.
- 15.4 Where the Client consists of more than one person, and except where the Letter of Engagement states otherwise, each person listed in the Letter of Engagement shall be jointly and severally liable under the Contract and we shall be entitled to call upon any, some or all of the applicable persons for payment in full. Where we receive instructions from an agent, both agent and principal will be jointly and individually responsible for our fees unless otherwise agreed in writing by us.
- 15.5 The director(s) of a company are responsible for ensuring payment is made in full for our services invoiced to the company subject to satisfactory completion. If the company is unable to pay for those services for whatsoever reason, the director(s) agree to be held personally liable for payment of our invoices to the company.
- 16.0 Commissions or other benefits
- 16.1 In some circumstances commission or other benefits may become payable to us, or to one of our associates, in respect of transactions we or such associates arrange for you, in which case you will be notified in writing of the amount and terms of payment by our associates. The fees that would otherwise be payable by you as described above will not be abated by such amounts. You consent to such remuneration, or other benefits being retained by us or, as the case may be, our associates, without our, or their, being liable to account to you for any such amounts. For example should we refer you to a regulated adviser for pensions and you were subsequently to invest £100,000, we would receive between £500 - £2,500 from that adviser plus ongoing payments of £100 - £500 annually for as long as the funds are invested. Please note that these amounts are only examples and actual amounts may vary and may not cover all receipts in the future. You will be contacted by the regulated adviser in each case to detail all the fees and payments arising on your affairs, and any payment due to us is then paid from within this amount and is not an additional cost to you. By signing our Letter of Engagement you consent to us retaining these fees and commissions.
- 17.0 Termination
- 17.1 You may terminate the contract by written notice to us at any time.
- 17.2 Termination will not affect our rights of remuneration and indemnification as set out in this Contract, or any other accrued rights which we may have upon termination and we will be entitled to retain all property, correspondence and documents in relation to any matter for which there is any amounts owing to us for our fees, disbursements and expenses.
- 17.3 In the event of termination, our fees, disbursements and expenses incurred up to the point of termination will be invoiced and payable.
- 17.4 We may decide to stop acting for you where we have reasonable grounds to do so (reasonable grounds may include, but are not limited to, your failure to pay invoices in full by the due date or to make payments on account when so requested, or where the result of any credit check we may carry out in relation to you is unsatisfactory to us). We will give you reasonable notice in such circumstances.
- 18.0 Severance
- 18.1 If any provision (or part provision) of the Contract is found by any authority of competent jurisdiction to be invalid, illegal or unenforceable that provision or part provision shall, to the extent required, be deemed not to form part of the Contract and the validity and enforceability of the other provisions and part provisions shall not be affected.

19.0 Application by law

- 19.1 Our engagement with you is governed by, and interpreted in accordance with, English law. The courts of England shall have exclusive jurisdiction in relation to any claim, dispute or difference concerning our engagement letter and terms of business and any matter arising from or under them. 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 inconvenient forum, or to claim that those courts do not have jurisdiction.