

PEM - Standard Terms of Business

The following Standard Terms of Business apply to all work we accept unless we agree to any changes in writing. The services you have asked us to provide will be set out in a separate letter (Engagement Letter). Our contract with you includes this letter and these Standard Terms of Business.


1 Contracting parties

- 1.1 Your contract is with Peters Elworthy & Moore (we, us).
- 1.2 Persons who are not party to this agreement will 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 that exists or is available other than under that Act.
- 1.3 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.

2 Our professional responsibilities

- 2.1 We will keep to the Code of Ethics of The Institute of Chartered Accountants in England and Wales (ICAEW). The code is available on the ICAEW's website at www.icaew.com, where you should search for 'ethics'. We accept instructions to act for you on the basis that we will act in line with the code. Our insolvency practitioners must also keep to Part D of the code.
- 2.2 Where you give us confidential information, we confirm that we will at all times keep it confidential, other than as required by law or as provided for in regulatory, ethical or other professional statements relevant to our engagement.

We may, on occasions, subcontract work on your affairs to other tax or accounting professionals locally or overseas. Where this occurs, we will take all reasonable steps to ensure that those organisations recognise their obligations of confidentiality. By accepting these Terms, you consent to such outsourcing arrangements including the transfer of any personal data to such organisations.
- 2.3 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 our confidentiality clause. We confirm that we will notify you immediately should we become aware of any conflict of interest involving us and affecting you unless we are unable to do so because of our confidentiality obligations. 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 our Code of Ethics, which can be viewed on the internet at the address above.

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- 2.4 We will take into account the General Anti Abuse Rule of section 206 of the Finance Act 2013 when advising on a particular transaction.

3 Other regulatory and similar information

- 3.1 We are registered to carry on audit work in the UK and Ireland by the Institute of Chartered Accountants in England and Wales. Details of our audit registration can be viewed at www.auditregister.org.uk under reference number C005366914. We confirm that we are Statutory Auditors eligible to conduct audits under the Companies Act 2006.
- 3.2 The professional rules that apply to audit work are the 'Audit regulations and guidance', which you can see at www.icaew.com together with the 'International Standards on Auditing (UK and Ireland)' at www.frc.org.uk where you should follow the links for 'codes and standards' applying to 'audit and assurance' work.
- 3.3 When carrying out regulated audit work, we keep to the Auditing Practices Board Ethical Standard, which you can see at www.frc.org.uk where you need to follow the links for 'Standards and Guidance for Auditors' applying to 'audit and assurance' work.
- 3.4 When carrying out insolvency work the Insolvency Regulations and Guidance Notes apply, as do the Statements on Insolvency Practice (SIPs). You can see these at www.icaew.com where you should search for 'insolvency'.
- 3.5 Details of our professional indemnity insurer and other regulatory information can be found on our website at www.pem.co.uk/terms-conditions.
- 3.6 Our VAT registration number is GB 213 3849 76.

4 Fees

- 4.1 We calculate our fees using the basis that we told you about at the start of our work for you, and amended by any later agreement with you. This will reflect the time spent on your affairs by our partners, employees and consultants, on the levels of skill and responsibility involved and the importance and value of the advice that we provide, as well as the level of risk.
- 4.2 All fee proposals or other indications of our fees are given before VAT. We will add VAT, at the current rate, to our invoices for fees and disbursements (payments to others in dealing with your affairs, also travel, accommodation and similar charges) unless the services qualify for specific exemption.
- 4.3 If it is necessary to carry out work outside the responsibilities outlined in our Engagement Letter it will involve additional fees. Accordingly we would like to point out that it is in your best interests to ensure that your records etc are completed to the agreed stage.
- 4.4 Invoices rendered are due for payment within fourteen days from the date of the invoice.
- 4.5 We can end or suspend further services until we receive your payment if an invoice is overdue. If we do this, we will let you know in writing. If we do end or suspend services, our contractual duty of care to you under general law will end.

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

5 General limitation of liability

5.1 We will provide services as outlined in our 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.

5.2 You will not hold us, our principals 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 partners or staff personally.

5.3 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.


5.4 We will not be responsible for any increased liability we have as a result of any limit you may have agreed with any other adviser or which we may otherwise have due to the negligence of any other person against whom you do not claim back money for any reason. This is relevant in circumstances in which we and other people may be legally responsible for the same damage. In these circumstances, we will limit what we will pay to the amount we reasonably ought to pay taking account of our responsibility for the damage (within the meaning of section 2(1) of the Civil Liability Contribution Act 1978) and on the basis that any other person will have paid you any amounts they ought reasonably to have paid after taking account of:

- their own responsibility for it and ignoring any limit you may have agreed with them;
- any subsequent extension of your claims against that person; or
- the fact that they no longer operate.

If you agree to limit their liability, if the claim against them ends for any reason, you stop making a claim against them or any person fails to satisfy any judgment you have gained, we will not be legally responsible for more than the net amount we would have paid, after allowing for the amounts you would otherwise have been entitled to recover from those people.

6 Quality of service

6.1 We wish to provide at all times a high quality of service. If at any time you would like to discuss how our service could be improved or if you are dissatisfied with the service you are receiving, please let us know by contacting our Managing Partner or our Chairman.

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- 6.2 We undertake to look into any complaints promptly and to do all we can to resolve the position. If you are still not satisfied you may of course take up the matter with the Institute of Chartered Accountants in England and Wales.
- 6.3 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; or
 - if you are in breach of your obligations where this is not corrected within 30 days of being asked to do so.

7 Owning information and keeping records and data


- 7.1 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 from preparation of your financial statements and/or any returns.

For personal tax information you should retain these records for 5 years from the 31 January following the end of the tax year to which they relate. You should retain them for longer if HMRC enquires into your tax return.

- 7.2 We own all information such as working papers, letters, emails, memos, file notes of meetings and phone calls and copies of other original documents that we create or that we receive either in our own right or as your agent.
- 7.3 We intend to destroy correspondence and other papers that we store that are more than seven years old, other than documents that we consider to be of continuing significance. If you require retention of any document you must indicate that fact to us in writing.

8 The Proceeds of Crime Act 2002 and the Money Laundering Regulations 2017

- 8.1 In common with all accountancy and legal practices, the firm is required by the Proceeds of Crime Act 2002 and the Money Laundering Regulations 2017 to:
- maintain identification procedures for clients, beneficial owners of clients and persons purporting to act on behalf of clients;
 - maintain records of identification evidence and the work undertaken for the client; and
 - report, in accordance with the relevant legislation and regulations.
- 8.2 We are likely to request from you, and retain, some information and documentation for these purposes and/or to make searches of appropriate credit reference agencies for which a record of the search will be retained. We may also use your details in the future to assist other companies for verification purposes. If we are not able to obtain satisfactory evidence of your identity within a reasonable time, there may be circumstances in which we are not able to proceed with the appointment.



8.3 The provision of audit and accountancy services is a business in the regulated sector and as such we have a duty under section 330 of the Proceeds of Crime Act 2002 to report to the National Crime Agency (NCA) 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. It is not our practice to inform you when such a disclosure is made or the reasons for it because of the restrictions imposed by the 'tipping off' provisions of the legislation. In consequence, neither the firm's principals nor staff may enter into any correspondence or discussions with you regarding such matters.

8.4 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.

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.

Clearly this list is by no means exhaustive.

8.5 We are not required to undertake work for the sole purpose of identifying suspicions of money laundering. We will fulfil our obligations under the Proceeds of Crime Act 2002 in accordance with the guidance published by the Consultative Committee of Accountancy Bodies.

9 External review


9.1 As part of our ongoing commitment to providing a quality service, our files are periodically subject to an independent regulatory or 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 Applicable law

10.1 Our work for you 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 this Standard Terms of Business or any associated Engagement Letter 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.

10.2 If any provision in this Standard Terms of Business or any associated Engagement Letter, or its application, is 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.

11 Changes in the law

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- 11.1 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.
- 11.2 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.


12 Electronic communication

- 12.1 Unless you instruct us otherwise we may, where appropriate, communicate with you and with third parties via email or by other electronic means. 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.
- 12.2 It is the responsibility of the recipient to carry out a virus check on any attachments received.

13 Data Protection Act 1998

- 13.1 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 Peters Elworthy & Moore.
- 13.2 Sections 11 and 12 of the Data Protection Act 1998 place express obligations on you as a data controller where we act as a data processor undertaking 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.
- 13.3 We may also transfer information about you to other countries including countries outside the European Economic Area that do not have the same level of data protection as the UK. We will only do this when appropriate, for example when we work with foreign professionals on your behalf.

14 Investment advice – exempt regulated activities

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- 14.1 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 (ICAEW) to provide certain limited investment services where these are complementary to, or arise out of, the professional services we are providing to you.
- 14.2 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 PTP during the course of any advice given by that party. This may include comment on, or explanation of, 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;
 - 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;
 - assisting you in making arrangements for transactions in investments in certain circumstances; and
 - 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.
- 14.3 The PTP may be PEM Carrwood. PEM Carrwood is a trading style of Lighthouse Carrwood Limited which is authorised by the FCA for advisory services. We may receive a share of the fees and commission due to PEM Carrwood to cover the costs of the provision of this in-house service to our clients. This share will be retained by this firm, unless there is agreement to the contrary. You will be notified of the share of any fees payable to this firm in advance.
- 14.3 For corporate clients 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.
- 14.4 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. 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.
- 14.5 Although we are not authorised by the Financial Conduct Authority, we are included on the Register maintained by the Financial Conduct Authority so that we might 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 <http://www.fca.org.uk/register>.

15 Our membership of Kreston International and Kreston International Limited

- 15.1 Kreston International (Kreston) is a worldwide network of independent accounting firms that provides professional services to clients. Each firm is a member of Kreston International Limited (Kreston International), a UK company limited by guarantee, which provides no services to the clients of its members. Members of Kreston are separate legal organisations and are only associated with each other by being members of Kreston International. Some of the members of Kreston use Kreston as part of their business name.
- 15.2 Nothing in the arrangements or rules of Kreston creates or implies an agency relationship or a partnership between Kreston International and the member firms of Kreston.
- 15.3 You agree that we may release your confidential information to other members of Kreston or to Kreston International if this relates to services we may provide, are providing or have provided, to you.
- 15.4 Any claim arising from work by a Kreston member with which you have engaged can only be made against that member. Claims cannot be made against Kreston or Kreston International, or personally against any other person or organisation involved in working for you.

If you engage with other member firms separately

- 15.5 We may introduce you to partners or staff from other members of Kreston to help us in providing services to you. If you use the services of their partners or staff, you must make sure that your own contractual arrangements are directly with them and they are not acting as our servants or agents. In the same way, we will not be legally responsible for work that they carry out on your behalf. Neither Kreston International nor any other member firm of Kreston will have any responsibility to you in connection with our work for you unless you make a contract direct with them. The fact that you may have been introduced to us by an associated Kreston organisation does not make that associated Kreston organisation or any of its staff members responsible for any of our acts or failure to act.

If we enter into an agreement with another member firm for them to carry out work on your behalf

- 15.6 Although your contract is with us, we may use the services of partners or staff from other members of Kreston to help us in providing services to you. When we use the services of these partners or staff they are acting as our servants or agents and not the partners, servants or agents of any other person (including any other member firm of Kreston or Kreston International itself). As a result, we will be legally responsible for their activities as if they were our partners or staff. Neither Kreston International nor any other member firm of Kreston will have any responsibility to you in connection with this work because there is no contract between you and any other member firm.
- 15.7 Each member firm of Kreston, Kreston International itself, each partner or member of staff and each of our partners or members of staff will be covered by section 15.6 and any other contractual protection contained in these terms and has the right to rely on and enforce any of its terms.

16 Use of our name in statements or documents issued by you

- 16.1 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 are to be made public in accordance with applicable law.

17 Draft/interim work or oral advice

- 17.1 In the course of 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.

18 Third-party cloud-based software

- 18.1 We may use cloud-based software suppliers (those we access through the internet) to help us provide our services. Before we use these suppliers, we will review them. This review covers data storage and security, service levels and ability to make a profit to make sure that the service provided is appropriate. Although we have these procedures in place, we cannot accept responsibility for problems in service, however they may be caused. If you use this service, it is at your risk.

19 Staff

- 19.1 Our staff work for you on the understanding that:
- you will not offer employment to our staff involved in the work unless we give you written permission, and
 - we will not offer employment to your staff involved in the work unless you give us written permission.

If written permission is given, either we or you can bill the other party for an appropriate fee of 20% of the annual salary on appointment plus VAT.

20 Probate services

- 20.1 In the unlikely event that we cannot meet our liabilities to you, you may be able to seek a grant from ICAEW's Probate Compensation Scheme. Generally, applications for a grant must be made to ICAEW within 12 months of the time you become aware, or reasonably ought to have been aware of the loss. Further information about the scheme and the circumstances in which grants may be made is available on ICAEW's website: www.icaew.com/probate.
- 20.2 If you would like to talk to us about how we can improve our service to you, or if you are unhappy with the service you are receiving, please let us know by contacting the Head of Legal Practice, Sanchia Norris. We will consider carefully any complaint that you may make about our probate services as soon as we receive it and will do all we can to resolve the issue. We will acknowledge your complaint within five business days of its receipt and endeavour to deal with it within 8 weeks. Any complaint should be submitted to us by letter.

- 20.3 If we do not deal with it within this timescale or you are unhappy with our response you may of course take the matter up with our professional body the ICAEW and the Legal Ombudsman. Complaints to the Legal Ombudsman should be made within six years of the act or omission or within three years of you becoming aware of the issue, and in either case within six months of our written response to your complaint to us. The contact details for the Legal Ombudsman are:

Letter: Legal Ombudsman, PO Box 6806, Wolverhampton, WV1 9WJ
E-mail: enquiries@legalombudsman.org.uk
Telephone: 0300 555 0333

21 Entire agreement

- 21.1 Our Engagement Letter and these Standard Terms of Business form the whole agreement between us and replace all previous agreements and terms between us. In entering into this agreement, you have not relied on any statement, representation, assurance or warranty (whether made negligently or innocently) other than as set out in our Engagement Letter and these Standard Terms of Business.

If any provisions of our Engagement Letter or Standard Terms of Business are 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 Standard Terms of Business and the Engagement Letter or appendices, the relevant provision in the Engagement Letter or schedules will take precedence.

22 Changes to these Standard Terms of Business

- 22.1 These Standard Terms of Business may change. We will make changes by publishing them on our website <http://www.pem.co.uk/>. You can find the current version there.

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