

Standard Terms of Business

All engagements that Barrie Scott Limited trading as Barrie Scott & Co. accept are subject to the following standard terms of business unless changes are expressly agreed in writing.

1. Professional obligations

1.1 We are a member of The Institute of Chartered Accountants of Scotland (ICAS) and are subject to its Code of Ethics which can be found at www.icas.org.uk/Ethics.aspx.

1.2 Where we become aware of errors made by HM Revenue & Customs you give us authority to correct them. We will not be liable for any loss, damage or cost arising from our compliance with statutory or regulatory obligations.

Professional indemnity insurance

In accordance with the disclosure requirements of the Provision of Services Regulations 2009, our professional indemnity insurer is Precision Underwriting (UK) Limited, Harrogate Business Centre, Hookstone Avenue, Harrogate, HG2 8ER. 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. Fees

2.1 Our fees are calculated on the basis of time spent on your affairs by the principals of the firm and our staff (including any sub-contractors or consultants that we may employ) and on the levels of skill and responsibility involved. In addition we may charge disbursements of travel, accommodation and other expenses incurred in dealing with your affairs.

2.2 If it is necessary for us to carry out work that is outside the scope of the engagement currently in place with you, we will advise you of this. Any additional work will result in additional fees being charged. We would therefore like to point out that it is in your interests to ensure that the information you provide us with is completed to the agreed stage.

2.3 Where we have agreed that you will pay on an invoice rendered basis, invoices are payable in full (including disbursements) in accordance with the terms set out on the invoice. Any queries you have on our invoices must be notified to us within 21 days of receipt or we shall deem you to have accepted that payment is due.

2.4 Where we have agreed that you will pay us on a standing order basis, we will discuss with you separately the amount and frequency of payments. These standing orders will be applied to fees arising from work agreed in our letter of engagement for the current and ensuing years. Where a scheduled monthly payment is not made any fees invoiced to you that are outstanding at that time will immediately become due for payment in entirety.

2.5 We reserve the right to charge interest on overdue accounts at the current rate under the Late Payment of Commercial Debts (Interest) Act 1998. We also reserve the right to terminate our engagement and cease acting if payment of any fees billed is unduly delayed.

2.6 In the event that we cease to act for you then you agree to meet all reasonable costs of providing information to your new advisers.

3. Help us to give you the right service

3.1 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 contacting any director.

3.2 We undertake to look into any complaint carefully and promptly and do all we can to explain the position to you. If we do not answer your complaint to your satisfaction you may of course take up the matter with ICAS.

3.3 In order for us to continue to provide you with a high quality service 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 these terms of business and any associated engagement letters.

3.4 Should we resign or be requested to resign we will normally issue a disengagement letter to ensure that our respective responsibilities are clear. Should we have no contact with you for a period of one year or more we may issue to your last known address a disengagement letter and hence cease to act.

3.5 We 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.

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- Either party being in breach of their obligations where this is not corrected within 30 days of being asked to do so.

4. Commissions or other benefits

4.1 In some circumstances, commissions or other benefits may become payable to us or one of our associates in respect of transactions we or such associates arrange for you. If this happens you will be notified in writing of the amount and terms of payment. The fees that would be otherwise payable by you will not be abated by such amounts. You consent to such commission or other benefits being retained by us or, as the case may be, by our associates, without our, or their, being liable to account to you for any such amounts.

5. Client monies

5.1 We may at times hold money on your behalf. Any such money will be held on trust in a client bank account, which is held separately to funds that belong to us. The client bank account will be operated, and all funds dealt with, in accordance with the ICAS Clients' Money Regulations.

5.2 To avoid excessive amounts of administration, interest will only be paid to you if 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 our banker for small deposits subject to the minimum period of notice for withdrawals. Subject to any tax legislation, interest will be paid gross.

5.3 If the total sum of money held on your behalf exceeds £10,000 for a period of time of 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.

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 of your accounts and returns. You should retain these records for 6 years from the 31 January following the end of the tax year to which they relate. You should retain them for longer if HM Revenue & 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. 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 ICAS Code of Ethics, which can be viewed at www.icas.org.uk/Ethics.aspx.

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. We may on occasions subcontract work on your affairs to consultants or subcontractors who are, of course, bound by the same requirements of confidentiality as our principals and staff.

9. Quality control

9.1 As part of our on going 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 This engagement letter is governed by, and construed in accordance with, Scots law. The Courts of Scotland 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

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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.

10.2 If any provision in these 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.

11. Internet communication

11.1 Unless you tell us otherwise we will at times use email or other electronic means to communicate with you.

11.2 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. Unless specifically stated, such communications should not be construed as an offer or acceptance, or to form part of a legally binding contract. Any views expressed in such communications are those of the individual sender, except where the sender specifically states them to be the views of Barrie Scott Limited.

11.3 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 email is not an acceptable form of communication and that all relevant communications should be by post.

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

12. Data Protection Act 1998

12.1 To enable us to discharge the services agreed under our engagement, 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 we may obtain, use, process and disclose Personal data about you/ your business/ company/ partnership/ its officers and employees. We confirm when processing data on your behalf that we will comply with the relevant provisions of the Data Protection Act 1998 and any best practice guidance

issued by the Information Commissioner's Office (ICO).

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

13.1 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.

13.2 We are obliged to comply with the terms and conditions of the legislation. We will provide details if requested.

We have a statutory obligation under the above legislation to report to the Serious Organised Crime Agency (SOCA) any reasonable knowledge or suspicion of money laundering. Any such report must be made in strictest confidence. In fulfilment of our obligations neither the firm's principals or staff may enter into any correspondence or discussions with you regarding such matters.

13.3 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.

13.4 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.

14. General limitation of liability

14.1 We will provide 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 the tax authorities.

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- 14.2 You will not hold us, the owners of this firm and any staff employed by the firm, 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 the principals or employees personally.
- 14.3 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.
15. **Use of our name in statements or documents issued by you**
- 15.1 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.
16. **Draft/interim work or oral advice**
- 16.1 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.
17. **Intellectual property rights**
- 17.1 We will retain all copyright in any document prepared by us during the course of carrying out the engagement save where the law specifically provides otherwise.
18. **Internal disputes within a client**
- 18.1 If we become aware of a dispute between the parties who own or are in some way involved in the ownership and management of the business, it should be noted that our client is the business and we would not provide information or services to one party without the express knowledge and permission of all parties. Unless otherwise agreed by all parties we will continue to supply information to the registered office/normal place of business for the attention of the directors/proprietors. If conflicting advice, information or instructions are received from different directors/principals in the business we will refer the matter back to the board of directors/the partnership and take no further action until the board/partnership has agreed the action to be taken.
19. **Investment services**
- 19.1 Since we are not authorised by the Financial Services Authority then we may have to refer you to someone who is authorised if you need advice on investments. However, as we are licensed by the Institute of Chartered Accountants of Scotland, we may be able to provide certain investment services that are complementary to, or arise out of, the professional services we are providing to you.
- 19.2 We may therefore be able to:
- 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 FSA), 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.
- 19.3 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, 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



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- act as the addressee to receive confirmation of acceptance of offer documents etc.

19.4 We are not authorised by the Financial Services Authority. However, we are included on the Register maintained by the Financial Services 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 ICAS. The register can be accessed via the Financial Services Authority website at www.fsa.gov.uk.

20. **Financial Promotions**

20.1 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. We shall of course comply with any restrictions you may wish to impose which you notify to us in writing.