

## STANDARD TERMS OF BUSINESS

The purpose of this schedule is to set out the standard terms of business that apply to all engagements accepted. All work carried out is subject to these terms except where changes are expressly agreed in writing.

These standard terms of business are applicable to all types of entities (e.g. companies, LLPs, charities, friendly societies, academies, pension schemes, etc.) Any reference therefore to director or company should be interpreted as appropriate for the entity type (e.g. partner, trustee, governor, charity, LLP, etc.)

### 1 Professional obligations

1.1 As required by the *Provision of Services Regulations 2009* (SI 2009/2999), details of the firm's professional registrations, including audit registration where applicable together with details of statutory directors can be found on our website address stated on <http://www.baldwinsaccountants.co.uk/provision-of-services-regulations-2009>

1.2 We will observe and act in accordance with the bye-laws and regulations of our professional body The Institute of Chartered Accountants in England & Wales (ICAEW) together with their code of ethics. We accept instructions to act for you on this basis. In particular you give us authority to correct errors made by HM Revenue & Customs (HMRC) where we become aware of them, and we will keep you informed should these arise. We will not be liable for any loss, damage or cost arising from our compliance with statutory or regulatory obligations. You can find copies of these requirements in our offices. The requirements are also available online at <http://www.icaew.com/en/membership/regulations-standards-and-guidance>

#### *Professional indemnity insurance*

1.3 In accordance with the disclosure requirements of the *Provision of Services Regulations 2009*, details of our professional indemnity insurer is provided on <http://www.baldwinsaccountants.co.uk/provision-of-services-regulations-2009>.

### 2 Investment services

#### *DPB Licensed*

2.1 Investment Business is regulated by the Financial Services and Markets Act 2000. If, during the provision of professional services to you, you need advice on investments (including assurances), we may have to refer you to someone who is authorised by the Financial Conduct Authority as we are not. However, as we are licensed by our professional body, 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.

2.2 Such advice may include:

- advising you on investments generally, but not recommend a particular investment or type of investment;
- referring you to a Permitted Third Party (PTP) (an independent firm authorised by the FCA), assisting you and the PTP during the course of any advice given by that party and commenting on, or explaining, the advice received (but not making 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 you in connection with the disposal of an investment, other than your rights in a pension policy or 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.

2.3 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
- 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 Where the firm is providing insurance mediation services (including fee protection), 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 our professional body ICAEW. The register can be accessed via the Financial Conduct Authority website at [www.fca.org.uk/register](http://www.fca.org.uk/register).

#### *Financial Promotions*

2.6 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.

### 3 Commissions or other benefits

3.1 In some circumstances, commissions or other benefits may become payable to us in respect of transactions we or our business associates arrange for you, in which case you will be notified in writing of the amount and terms of payment e.g. the fees that would otherwise be payable by you will not be abated by such amounts. If we reduce the fees that we would otherwise charge by the amount of commission retained, we will apply the HMRC concession which allows VAT to be calculated on the net fee after deduction of the commission. You consent to such commission or other benefits being retained by us or, 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 our professional body ICAEW.

If you transfer funds to our client account you will be agreeing that we shall not be liable for any monies lost as a result of a banking failure. The Financial Services Compensation Scheme (FSCS) covers deposits belonging to clients who are individuals or small businesses per authorised deposit-taking institution. There are limits to the amounts of compensation that the FSCS will pay (please refer to the FSCS website for current limits). Accordingly, you are responsible for maintaining a record of all balances held by us as your agent and for ensuring that we receive from you any instructions regarding those monies.

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 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 is enough to give rise to a significant amount of interest or is likely to do so, 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 the time spent on your affairs by the Partners, our staff, sub-contractors or consultants and on the levels of skill and responsibility involved. Our charges will be reviewed from time to time. Unless otherwise agreed our fees and disbursements will be billed at regular intervals during the course of the year and will be due on presentation. Where we have provided a fee estimate, this is an indication, made in good faith and on the basis of the information we have at the time the estimate is given, of our likely fee for carrying out the work concerned. An estimate is subject to revision and is not a commitment by us to carry out the work for that fee. If it is necessary to carry out work outside the responsibilities agreed with you for each service, 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.
- 5.2 Additional fees to cover disbursements such as transaction charges, bank fees, governmental levies, duties or fines and all other charges incurred in the course of the provision of the Services together with all other disbursements and out-of-pocket expenses may be made from time to time. Additional charges will be subject to VAT where applicable. We may render invoices in advance in respect of any anticipated additional charges.
- 5.3 Any fee budget agreed with you assumes that the information required for our work is available in accordance with agreed timetables and that the necessary personnel are available during the course of our work. If delays or other unanticipated problems occur which are beyond our control this may result in additional fees for which fee notes will be raised on the above basis. We will advise you of any delays as they occur and will estimate their effect.
- 5.4 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.
- 5.5 It is our normal practice to request that clients make arrangements to pay a proportion of their fee on a monthly standing order. These standing orders will be applied to fees arising from work agreed in this 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. This instalment agreement is not a regulated credit agreement.
- 5.6 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. We accept settlement of fees by certain credit cards.
- 5.7 We are entitled to recover on a full indemnity basis any costs incurred by us in collecting overdue payments, including our time charges, the costs and expenses of any third parties we may appoint to collect such amounts. We reserve the rights to retain all documents and any items in our possession relating to any matter until all invoices/request for payments are paid in full.
- 5.8 If an agreement has been made whereby our fees are to be paid by someone other than you, you will nevertheless remain liable for all our fees outstanding and all expenses incurred on your behalf until payment has been made in full.
- 5.9 You agree that we may deduct or cause to be deducted the fees and all additional charges from any monies or assets held by us for you.
- 5.10 Further, we shall be entitled to charge or sell assets under our control belonging to you for the purposes of meeting the outstanding fees.
- 5.11 If a client company, trust or other entity is unable or unwilling to settle our fees, we reserve the right to seek payment from the individual (or parent company) giving us instructions on behalf of the client, and we shall be entitled to enforce any sums due against the group company or individual nominated to act for you.
- 5.12 Insofar as we are permitted to so by law or by professional guidelines, we reserve the right to exercise a lien over all funds, documents and records in our possession relating to all engagements for you until all outstanding fees and disbursements are paid in full.
- 5.13 In the event that we cease to act in relation to your company's affairs we will not charge for reasonable costs of providing information to the company's new advisers. However we reserve the right to charge for our costs where there is a significant amount of time and work involved in providing this information to the new provider.
- 6 Retention of and access to records**
- 6.1 You have a legal responsibility to retain documents and records relevant to your financial affairs. During the course of our work we may collect information from you and others relevant to your tax and financial affairs. We will return any original documents to you if requested. Documents and records relevant to your tax affairs are required by law to be retained as follows:
- Individuals, trustees and partnerships:*
- with trading or rental income: five years and 10 months after the end of the tax year;
  - otherwise: 22 months after the end of the tax year.
- Companies, Limited Liability Partnerships, and other corporate entities:*
- six years from the end of the accounting period.
- 6.2 Although certain documents may legally belong to you, we may destroy correspondence and other papers that we store electronically or otherwise that are more than seven years old, except documents we think may be of continuing significance. You must notify us in writing if you wish us to keep any document for a longer period.
- 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 clause 8 below. 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. We have safeguards that can be implemented to protect the interests of different clients if a conflict arises. Where conflicts are identified which cannot be managed in a way that protects your interests then we regret that we will be unable to provide further services.
- 7.2 During and after our engagement, you agree that we reserve the right to act for other clients whose interests are or may compete with or be adverse to yours, subject, of course, to our obligations of confidentiality and the safeguards set out in the paragraph on confidentiality below.
- 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.
- 8.2 You agree that, if we act for other clients who are or who become your competitors, to comply with our duty of confidentiality it will be sufficient for us to take such steps as we think appropriate to preserve the confidentiality of information given to us by you, both during and after this engagement. These may include taking the same or similar steps as we take in respect of the confidentiality of our own information.

- 8.3 In addition, if we act for other clients whose interests are or may be adverse to yours, we will manage the conflict by implementing additional safeguards to preserve confidentiality. Safeguards may include measures such as separate teams, physical separation of teams, and separate arrangements for storage of, and access to, information.
- 8.4 You agree that the effective implementation of such steps or safeguards as described above will provide adequate measures to avoid any real risk of confidentiality being impaired.
- 8.5 We may, on occasions, subcontract work on your affairs to other tax or accounting professionals. We will advise you if this occurs. The subcontractors will be bound by our client confidentiality terms.
- 8.6 If we use external or cloud based systems, we will ensure confidentiality of your information is maintained.
- 8.7 For the purpose of promotional activity, training or other business purposes we may request permission. To mention that you are a client. As stated above, we will not disclose any confidential information.
- 8.8 During the performance of the Services, we may provide interim reports and advice. Any reports are based upon partial completion of the Services. Consequently, these are not our final views or conclusions and cannot be relied upon as such. You agree that we do not assume a duty of care to you, or any other party to whom we have agreed to assume a duty of care, in respect of interim reports and advice. The final results of our work and our definitive conclusions will be contained in our final report. This report will be signed in manuscript by a Director/Partner on behalf of the company, and will not bear any qualification within its title, header or footer.
- 8.9 With the exception of any audit or other report which we expressly agree may be provided to third parties, the reports, letters, information and advice which arise as a result of this engagement are given in confidence solely for the purpose of this engagement and are provided on the condition that you undertake not to disclose these, or any other confidential information made available to you by us during the course of our work, to any other party without our prior written consent.
- 8.10 In circumstances where our reports, letters or information will be provided to or used by a third party, you will inform us so that we can stipulate terms regarding such provision or require the third party to enter into a direct relationship with us before any report, letter, information or advice is provided to that third party. Unless the third party agrees appropriate terms with us, we recognise no responsibility whatsoever other than that owed to you in the context of this engagement as at the date on which our report or other advice is given.
- We will not be prevented from disclosing confidential information:
- which is or becomes public knowledge other than by a breach of an obligation of confidentiality;
  - which is or becomes known from other sources without restriction on disclosure; or
  - which is required to be disclosed by law or any professional regulatory obligation.
- For the purposes of carrying out our responsibilities in this engagement, we shall not be treated as having notice of information, which may have been provided to individuals within this firm who are not involved in this engagement.
- 8.11 This clause applies in addition to our obligations as to data protection below.
- 8.12 You agree to take reasonable steps to ensure that these terms are understood by your advisors.
- 9 Quality control**
- 9.1 As part of our ongoing commitment to providing a high 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.

## ***Dealing with HM Revenue & Customs***

- 9.2 When dealing with HMRC on your behalf we are required to be honest and to take reasonable care to ensure that your returns are correct. To enable us to do this, you are required to be honest with us and to provide us with all necessary information in a timely manner. For more information about 'Your Charter' for your dealings with HMRC, see [www.hmrc.gov.uk/charter/index.htm](http://www.hmrc.gov.uk/charter/index.htm). To the best of our abilities, we will ensure that HMRC meet their side of the Charter in their dealings with you.
- 10 Help us to give you the right service**
- 10.1 We are committed to providing you with a high quality service that is both efficient and effective. 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 firstly contacting the managing director of the office that deals with your affairs, if you are still dissatisfied please contact our Compliance Director Stephen Southall in writing at Churchill House, 59 Lichfield Street, Walsall, West Midlands, WS4 2BX.
- 10.2 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 our professional body ICAEW.
- 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 schedules. 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.
  - an independence issue or change in the law which means we can no longer act.
- 10.4 Unless otherwise agreed in our engagement letter, our work will begin when we receive implicit or explicit acceptance of that letter. Except as stated in that letter, we will not be responsible for periods before that date.
- 10.5 Each of us may terminate our agreement by giving not less than 21 days' notice in writing to the other party except if you fail to cooperate with us or we have reason to believe that you have provided us [or HMRC] with misleading information, in which case we may terminate this agreement immediately. Termination will be without prejudice to any rights that may have accrued to either of us before termination.
- 10.6 In the event of termination of our contract, we will endeavour to agree with you the arrangements for the completion of work in progress at that time, unless we are required for legal or regulatory reasons to cease work immediately. In that event, we will not be required to carry out further work and shall not be responsible or liable for any consequences arising from termination.
- 11 Applicable law**
- 11.1 This engagement letter is governed by, and construed in accordance with English Law or Scottish Law if the services that are covered by the engagement letter provided by our offices based Scotland. The Courts 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 schedules, 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 Changes in the law, in practice or in public policy**

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, public policy or your circumstances.

12.2 We will accept no liability for losses arising from changes in the law or the interpretation thereof, practice or public policy that are first published after the date on which the advice is given to the fullest extent permitted by applicable law.

## **13 Internet 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 Provision of client portal service via the cloud**

### ***Secure client portal via our website (part of the Cloud)***

14.1 We will provide a free voluntary client portal service to allow the secure exchange of documents between you and the firm.

14.2 You should use this service for file transport only, you cannot rely on this service as a permanent means of file storage or backup. We purge all data from the portal on a regular basis.

14.3 Other than where there is a lawful basis for transferring personal data to us, you agree that you will have secured consent to transfer personal data to us prior to doing so.

14.4 You undertake to use the system for acceptable use, which includes:

- not to transmit any viruses, Trojans, keyloggers or other harmful code;
- not to transmit any unlawful information or content;
- not to allow access to the service to any third party; and
- not to use the software to provide services to other parties.

14.5 You are responsible for:

- ensuring that your network and systems meet any necessary performance requirements;
- maintaining your network and telecommunication links; and
- compliance with any applicable terms as shown on the site itself which may be updated from time to time.

14.6 You are obliged to keep all passwords and login details secure and not to share with others. We will keep all passwords and login details secure, and only disclose to staff that require access.

14.7 If one of your staff who has access to the portal leaves, you are responsible for asking the firm to reset the password for your account.

14.8 We undertake to use all reasonable endeavours to obtain from the Cloud Supplier a signed confidentiality agreement with the firm to ensure compliance with other relevant clauses in these terms of business concerning our fees, confidentiality, internet communication, all relevant data protection legislation and general limitation of liability.

14.9 The firm cannot be held liable for any failures to deliver services due to transmission errors or unavailability of telecoms networks, or due to the failure or unavailability of any infrastructure. We are also not liable for any loss of or corruption to your data or if the service is interrupted due to your breach of our terms.

14.10 If you determine to cease using the services of the firm, you will inform the firm immediately. On receiving such notification we will immediately cancel all user access to your portal and discuss with you the way ahead.

14.11 The firm reserves the right to modify these terms and conditions under which the portal is offered, and will provide you with due notice before implementation.

### ***Secure client portal via a third party website (part of the Cloud)***

#### ***a) Accounting software***

14.12 You will agree with the Cloud Supplier the specific accounting software that you wish to be hosted in the Cloud. We are happy to assist you with the selection of the specific accounting software that is appropriate to your needs, though the final decision is yours. This service is provided for a set-up fee agreed in advance.

14.13 Though we will have access to your accounting system hosted by the Cloud Supplier, we would emphasise that we cannot undertake to discover any shortcomings in the third-party software, your systems or any irregularities on the part of your employees or others, although we will advise you of any such circumstances that we encounter if requested to prepare your accounts.

14.14 We will invoice you each month for the provision of the service by the Cloud Supplier. You will pay our monthly fee on a timely basis to ensure continued provision of the service by the Cloud Supplier. Should there be a delay in payment of our fee according to our credit terms we reserve the right, after a written warning has been issued, to withdraw the service until our fees have been paid.

14.15 You will enter into a Service Level Agreement with the Cloud Supplier regarding the uptime availability and the provision of maintenance, support and security, in particular the frequency of back-ups provided. Should you have any concerns on these matters, please contact us.

14.16 If you wish to disengage from this service, on giving the notice period specified in our letter of engagement, we will liaise with the Cloud Supplier for you to receive a back-up of your data as at the end of the notice period, subject to you meeting their conditions.

#### ***b) Other software***

14.17 Though we will have access to software hosted by the Cloud Supplier, we would emphasise that we cannot undertake to discover any shortcomings in the third-party software, your systems or any irregularities on the part of your employees or others.

#### ***c) Accounting and other software***

14.18 You will be responsible for the maintenance of your records in the Cloud.

14.19 Other than where there is a lawful basis for transferring personal data to the Cloud, you agree that you will have secured consent to transfer personal data to the Cloud prior to doing so.

14.20 You undertake to use the system for acceptable use, which includes:

- not to transmit any viruses, Trojans, keyloggers or other harmful code;
- not to transmit any unlawful information or content;
- not to allow access to the service to any third party; and
- not to use the software to provide services to other parties.

14.21 You are responsible for:

- ensuring that your network and systems meet any necessary performance requirements;
- maintaining your network and telecommunication links; and

- compliance with any applicable terms as shown on the site itself which may be updated from time to time.
- 14.22 You are obliged to keep all passwords and login details secure and not to share with others. We will keep all passwords and login details secure, and only disclose to staff that require access.
- 14.23 If one of your staff who has access to the portal leaves, you are responsible for asking the firm to reset the password for your account.
- 14.24 We undertake to use all reasonable endeavours to obtain from the Cloud Supplier a signed confidentiality agreement with the firm to ensure compliance with other relevant clauses in these terms of business concerning our fees, confidentiality, internet communication, all relevant data protection legislation and general limitation of liability.
- 14.25 The firm cannot be held liable for any failures to deliver services due to transmission errors or unavailability of telecoms networks, or due to the failure or unavailability of any infrastructure. We are also not liable for any loss of or corruption to your data or if the service is interrupted due to your breach of our terms.
- 14.26 The firm reserves the right to modify these terms and conditions under which the portal is offered, and will provide you with due notice before implementation.

## 15 Data Protection

- 15.1 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 and shareholders ('personal data').
- 15.2 We confirm that we are each considered an independent data controller in relation to personal data and that we will each comply with the relevant provisions of applicable data protection legislation.
- 15.3 You will also ensure that any disclosure of personal data to us complies with such legislation. If you supply us with any personal data or confidential information you shall ensure you have a lawful basis to pass it to us and will fully indemnify and hold us harmless if you do not have such a basis and that causes us loss. If you are supplying us with personal data on the basis of a power of attorney for anyone, you must produce to us an original or certified power of attorney on demand. You must ensure you have provided the necessary information to the relevant data subjects regarding its use. You may refer to our privacy notice at <https://www.baldwinsaccountants.co.uk/privacy-policy>
- 15.4 We will notify you within 10 working days if an individual asks for copies of their personal data, makes a complaint about the processing of personal data or serves a notice from a relevant data protection authority where this relates to you. You and we will consult and cooperate with each other when responding to any such request, complaint or notice. If an individual whose data you have supplied to us or which we are processing on your behalf asks us to remove or cease processing that data, we shall be entitled to do so where required by law.
- 15.5 In the course of providing services to you and processing personal data, we may disclose personal data to other firms in our network, a regulatory body or a third party. We may export personal data you supply to us outside the EU/EEA/UK if necessary (subject to your prior written consent, which will not be unreasonably withheld where we are a processor). We will ensure all such data disclosure/export is compliant with relevant data protection legislation in the EU/EEA/UK and will use our reasonable endeavours to ensure that any agreement entered into with sub-processors include similar terms to those set out in this clause 14. Where cloud-based services are to be used you may be subject to our cloud services terms and conditions, and cloud storage may be outside the EU/EEA/UK.
- 15.6 We confirm we have adequate security measures in place to protect personal data provided to us, including administrative, physical and technical safeguards.
- 15.7 We will answer your reasonable enquiries to enable you to monitor compliance with this clause.
- 15.8 If you need to contact us about any data protection issue please contact our Data Protection Officer at [DPO@baldwinsandco.co.uk](mailto:DPO@baldwinsandco.co.uk).

## 16 Limitation of third party rights

- 16.1 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.
- 16.2 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, unless we have expressly agreed in writing that a specified third party may rely on our work. We will accept no responsibility to third parties, including any group company to whom the engagement letter is not addressed, your spouse nor any family member of yours or your employer, for any aspect of our professional services or work that is made available to them.

## 17 Client identification

- 17.1 In common with other professional firms we are 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.
- We have a statutory obligation under the above legislation to report to the National Crime Agency (NCA) any reasonable knowledge or suspicion of money laundering. Any such report must be made in the strictest confidence. In fulfilment of our legal obligations, neither the firm's principals nor may staff enter into any correspondence or discussions with you regarding such matters
- 17.2 If we are not able to obtain satisfactory evidence of your identity and where applicable that of the beneficial owners, we will not be able to proceed with the engagement.
- 17.3 You agree that we may use personal information provided by you in order to conduct appropriate identity and anti-fraud checks. Personal information that you provide may be disclosed to a credit reference or fraud prevention agency that will check details against any particulars on any database (public or otherwise) to which they have access. Personal information may be retained by the credit reference or fraud prevention agency for the purpose of future identity and anti-fraud checks. A record of the search will be retained. This information provided by you is used by us only to confirm your identity and no credit check is being performed by us. Accordingly, your credit rating will not be affected.
- 17.4 In addition, we may also request similar information in order to conduct appropriate identity and anti-fraud checks on management and beneficial owners as we consider necessary. You agree to inform such persons of these checks as described in clause 17.3 above.

## 18 Foreign Account Tax Compliance Act (FATCA) and The Common Reporting Standards

- 18.1 Unless agreed specifically in a separate engagement letter, we are not responsible for your compliance with the *International Tax Compliance (United States of America) Regulations 2013*, produced as a result of FATCA. In particular, we are not responsible for the categorisation of any UK entity into either a Financial Institution (FI) or an active or passive Non-Financial Foreign Entity (NFFE) nor, if a Financial Institution, for its registration with the US Internal Revenue Service (IRS) and subsequent submission of the required annual returns to HMRC.
- 18.2 However, if requested to do so we can provide advice on the completion of the forms supplied by Financial Institutions under these Regulations, or under The Common Reporting Standards, and used by them to determine the status of an entity. We can also provide advice on setting up the appropriate systems to identify and report on your clients or beneficiaries who are foreign citizens affected by FATCA or The Common Reporting Standards.

## **19 General limitation of liability**

- 19.1 We will provide our services with reasonable care and skill. Our liability to you is limited to losses, damages, costs and expenses caused by our negligence or wilful default. 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. Further, we will not be liable to you for any delay or failure to perform our obligations if the delay or failure is caused by circumstances outside our reasonable control. Subject to clause 19.6 below, our liability to you shall be limited as set out in clause 20.
- 19.2 You will not hold us, our (principal(s)/director(s)) 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. This applies equally to fraudulent acts, misrepresentation or wilful default on the part of any party to the transaction and their directors, officers, employees, agents or advisers. However, this exclusion shall not apply where such misrepresentation, withholding or concealment is or should (in carrying out the procedures which we have agreed to perform with reasonable care and skill) have been evident to us without further enquiry.
- 19.3 You agree that you will not bring any claim in connection with services we provide to you against any of our partners or employees personally.
- 19.4 In particular, the fact that an individual member, employee, agent or consultant signs in his or her own name any letter, email or other document in the course of carrying out that work does not mean he or she is assuming any personal legal liability.
- 19.5 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. You agree to indemnify us and our agents in respect of any claim (including any claim for negligence) arising out of any unauthorised disclosure by you or by any person for whom you are responsible of our advice and opinions, whether in writing or otherwise. This indemnity will extend to the cost of defending any such claim, including payment at our usual rates for the time that we spend in defending it and our legal fees on an indemnity basis.
- 19.6 Nothing in this agreement shall exclude or limit our liability for death or personal injury caused by negligence nor for fraudulent misrepresentation or other fraud which may not as a matter of applicable law be excluded or limited.

## **20 Financial limitation of liability**

- 20.1 We have discussed with you the extent of our liability to you in respect of the professional services described within our engagement letter (the professional services), comprising the Engagement Covering Letter, Agreement of Terms and the relevant Appendices.
- 20.2 Where we are providing statutory audit services, the terms of the limitation of our liability in respect of our audit work is set out in the audit appendix to our engagement letter.
- 20.3 For all causes of action accruing in any 12 month period, the first such period commencing on the date of our engagement letter, our total liability (regardless of the number of persons who comprise our client for any particular matter) shall be limited to the lower of the figures produced by the operation of clauses 20.4 and 20.5. This provision, and the provisions of the following paragraphs, shall not apply to any liability:
- for work requiring us to report as statutory auditors (see clause 20.2);
  - for work required to be carried out by us under the rules of the US Securities and Exchange Commission;
  - for death or personal injury or other liability for which exclusion or restriction is prohibited by law; or
  - to liability arising as a result of fraud on our part.

In no event shall we be liable for any special, indirect or consequential loss or damage of any kind howsoever arising, whether or not such loss or damage is foreseeable, foreseen or known.

- 20.4 Subject to the provisions of clause 20.5 below, our liability in respect of breach of contract or breach of duty or fault or negligence or otherwise whatsoever arising out of or in connection with this engagement shall be limited to a multiple of twenty times the value of our paid fees in connection with the engagement on which the claim arises to cover claims of any sort whatsoever, including interest and costs to a maximum limit of £1 million.

Any claim for breach of contract, breach of duty or fault or negligence or otherwise whatsoever arising out of or in connection with this engagement shall be brought against us within six years of the act or omission alleged to have caused the loss in question.

- 20.5 Our liability to you in respect of breach of contract or breach of duty or fault or negligence or otherwise whatsoever arising out of or in connection with this engagement shall be limited to a just and equitable proportion of the total loss or damage after taking into account contributory negligence and the responsibility of any other party (regardless of the ability of any other party to make payment).

## **21 Intellectual property rights and use of our name**

- 21.1 We will retain all intellectual property rights in any document prepared by us during the course of carrying out the engagement except where the law specifically states otherwise. You may only use such rights to the extent we agreed when engaged to provide services to you and may not resell or sublicense such rights without our further prior consent.
- 21.2 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.

## **22 Environmental issues**

- 22.1 We will not give advice on environmental or health and safety issues nor will we perform an environmental audit as part of our services. You agree that environmental issues and their impact are excluded from the services unless otherwise agreed in the Letter of Engagement.

## **23 Draft/interim work or oral advice**

- 23.1 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.

## **24 Interpretation**

- 24.1 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.

## **25 Internal disputes within a client**

- 25.1 If we become aware of a dispute between the parties who own the business, or who are in some way involved in its ownership and management, it should be noted that our client is the business (unless we have agreed otherwise) 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. In certain cases we reserve the right to cease acting for the business/client entirely.

**26 Engagement of Baldwins Holdings Limited (and its subsidiaries) Employees**

- 26.1 If you directly engage an employee of Baldwins Holdings Limited or any of our associates, or introduce an employee of Baldwins Holdings Limited to any third party resulting in an Engagement, you will be liable to an introduction fee of 50% of the annual starting salary. In the event that you fail to advise Baldwins Holdings Limited of the starting salary the fee will be based on the charge out rate for the employee.

This applies during employment and for a period of 12 months post termination. No refund of the introduction fee will be paid in the event that the engagement terminates.

**27 Changes in members/successor firm**

- 27.1 The continuing validity of this agreement will not be affected by any change in the members of the firm. If we merge with another firm or transfer substantially all of our business to a partnership, a limited liability partnership or company, then you agree that we may transfer our engagement with you on substantially the same terms (so far as applicable) to the successor enterprise. We shall write and tell you if this happens.

**28 Disengagement**

- 28.1 If we resign or are asked to resign, we will normally issue a disengagement letter to ensure that our respective responsibilities are clear.