

The following standard terms of business apply to all engagements accepted by Richard Morgan and Company and its associate, Morgan AVN Limited. All work carried out is subject to these terms except where changes are expressly agreed in writing.

1 Professional obligations

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

1.2 Where you give us confidential information we shall at all times keep it confidential, except as required by law or as provided for in regulatory, ethical or other professional pronouncements applicable to this engagement.

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

2 Investment services

2.1 Although we are not authorised by the Financial Services Authority (FSA) to conduct investment business. We are licensed by the ICAEW to provide certain limited investment services where these are complementary to, or arise out of, the professional services we are providing to you.

2.2 In particular, we may:

- 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.

2.3 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 The firm may receive commission from any introduction to a PTP in connection with the above, in which case you will be fully informed of the expected size and nature of such commission at the time of the introduction. Such commission will be held in our clients' account until we receive instructions from you as to how it should be treated. In the event of no such instructions being received, we may use such monies against any fees that have been outstanding for 30 days or more and concerning which you are not in dispute with us.
- 2.5 We may also request that you allow us to retain such commissions to cover our costs in connection with the above, but permission will be sought separately from you in these circumstances. If you are dissatisfied in any way about our services described in this section, you should follow the procedures set out in the 'Help us to give you the right service' section of this letter and, 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.
- 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 normal office hours. We shall of course comply with any restrictions you may wish to impose which you notify to us in writing. As with other professional services firms, we are required to identify our clients for the purposes of the UK anti-money laundering legislation. We may request from you, and retain, such information and documentation as we require for these purposes and/or make searches of appropriate databases. If we are not able to obtain satisfactory evidence of your identity, we will not be able to proceed with the engagement.

3 Client Identification

- 3.1 As with other professional services firms, we are required to identify our clients for the purposes of the UK anti-money laundering legislation. We may request from you, and retain, such information and documentation as we require for these purposes and/or make searches of appropriate databases. If we are not able to obtain satisfactory evidence of your identity, we will not be able to proceed with the engagement.

4 Client monies

- 4.1 We may, from time to time, hold money on your behalf. Such money will be held in trust in a client bank account, which is segregated from the firm's funds. The account will be operated, and all funds dealt with, in accordance with the Clients' Money Regulations of the ICAEW.
- 4.2 If the total sum of money held on your behalf is enough to give rise to a significant amount of interest or is likely to do so, we will put the money in a designated interest-bearing client bank account and pay the interest to you.
- 4.3 We will return monies held on your behalf promptly, as soon as there is no longer any reason to retain those funds. If any funds remain in our client account that are unclaimed, and the client to which they relate has remained untraced for five years, or we as a firm cease to practise, we may pay those monies to a registered charity.
- 4.4 We are required under the client money regulations to appoint an alternate to administer the client bank account in the event of the death or incapacity of the principal. The alternate appointed by this firm is Mr R Amin FCA of BDA Associates Limited, Chartered Accountants, Annecy Court, Ferry Works, Summer Road, Thames Ditton, Surrey, KT7 0QJ (telephone 020 8339 0005).

5 Fees

- 5.1 Our fees are computed not only upon the time spent on your affairs, but also on the level of skill and responsibility and the importance and value of the advice we provide, as well as the level of risk. They are subject to discussion and agreement in advance. If it is necessary to carry out work outside the responsibilities agreed, this 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 and quality.
- 5.2 Our invoices are payable in full before the report is signed and the financial statements are made available for filing. It is our normal practice to request that clients pay our fees by a monthly standing order, direct debit or other agreed regular basis.
- 5.3 Our terms relating to payment of amounts invoiced are strictly 14 days from invoice date. Interest may be charged on all overdue debts at the rate for the time being applicable under the Late Payment of Commercial Debts (Interest) Act 1998. Settlement of fees by Mastercard or Visa is accepted.
- 5.4 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.

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 financial statements and returns. You should retain these records for at least six years from the end of the accounting or tax year to which they relate.
- 6.2 Whilst certain documents may legally belong to you, we intend to destroy correspondence and other papers that we store which are more than six years old, other than documents which we consider to be of continuing significance. If you require retention of any document you must notify us of that fact in writing.

7 Quality control

- 7.1 As part of our ongoing commitment to providing a quality service, our files are periodically subject to an independent quality review. Our reviewers are highly experienced and professional people and are bound by the same rules of confidentiality as our principals and staff.
- 7.2 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, visit www.gov.uk/government/publications/your-charter. To the best of our abilities, we will ensure that HMRC meet their side of the Charter in their dealings with you.

8 Help us to give you the right service

- 8.1 If at any time you would like to discuss with us how our service to you could be improved, or if you are dissatisfied with the service you are receiving, please let us know, by contacting Richard Morgan or Andrew Walker.
- 8.2 We undertake to look into any complaint carefully and promptly and to do all we can to explain the position to you. If you feel that we have given you a less than satisfactory service, we undertake to do everything reasonable to address your concerns. If you are still not satisfied, you may of course take up matters with the ICAEW.

9 Applicable law

9.1 This engagement letter is governed by, and construed in accordance with, English law. The Courts of England will have exclusive jurisdiction in relation to any claim, dispute or difference concerning this engagement letter and any matter arising from it. Each party irrevocably waives any right it may have to object to any action being brought in those courts, to claim that the action has been brought in an inappropriate forum, or to claim that those courts do not have jurisdiction.

9.2 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 in your circumstances. 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.

10 Electronic and other communication

10.1 Unless you instruct us otherwise, we may, if appropriate, communicate with you and with third parties by email or other electronic means. The recipient is responsible for virus checking emails and any attachments.

10.2 With electronic communication, there is a risk of non-receipt, delayed receipt, inadvertent misdirection or interception by third parties. We use virus-scanning software to reduce the risk of viruses and similar damaging items being transmitted in emails or by electronic storage devices. Nevertheless, electronic communication is not totally secure and we cannot be held responsible for damage or loss caused by viruses or for communications which are corrupted or altered after despatch. Nor can we accept any liability for problems or accidental errors relating to this means of communication, especially in relation to commercially sensitive material. These are risks you must bear in return for greater efficiency and lower costs. If you do not wish to accept these risks, please let us know and we will communicate by paper mail, other than when electronic submission is mandatory. However, in agreeing communication methods, both parties need to be fully aware of their responsibilities for the protection of data under the General Data Protection Regulation (GDPR) which are in effect from 25 May 2018.

10.3 Any communication by us with you sent through the postal system is deemed to arrive at your postal address two working days after the day the document was sent.

11 Data Protection

11.1 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 all relevant data protection legislation and regulation, including GDPR. For the purposes of the GDPR, the Data Controller in relation to personal data supplied about you is Richard Morgan.

11.2 To enable us to discharge our agreed services, comply with related legal and regulatory obligations and for other related purposes (including updating and enhancing client records and analysis for management purposes), as a data controller, we may obtain, use, process and disclose personal data about you, your business, company or partnership, shareholders, members, officers and employees as described in our Privacy Notice.

11.3 You are also an independent controller responsible for complying with data protection legislation and regulation in respect of the personal data you process and, accordingly where you disclose personal data to us you confirm that such disclosure is fair and lawful and otherwise does not contravene relevant requirements. Nothing within this engagement letter relieves you as a data controller of your own direct responsibilities and liabilities under data protection legislation and regulation.

11.4 Data protection legislation and regulation places obligations on you as a data controller where we act as a data processor to undertake the processing of personal data on your behalf - for example, where we operate a payroll service for you. We therefore confirm that we will at all times take appropriate measures to comply with relevant requirements 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.

11.5 Our Privacy Notice, which may be found on our website at <https://www.rmco.co.uk/privacy>, explains how we process personal data in respect of the various services that we provide.

12 Contracts (Rights of Third Parties) Act 1999

12.1 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.

12.2 The advice that we give to you is for your sole use and does not constitute advice to any third party to whom you may communicate it. We accept no responsibility to third parties for any aspect of our professional services or work that is made available to them.

13 Money laundering

13.1 We have a legal duty to report to the Serious Organised Crime Agency (SOCA) if we know, or have reasonable cause to suspect, that you, or anyone connected with your business, are or have been involved in money laundering. Failure on our part to make a report where we have knowledge or reasonable grounds for suspicion would constitute a criminal offence.

13.2 The offence of money laundering is defined in law 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.

This list is by no means an exhaustive.

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

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 law in accordance with the guidance published by the ICAEW.

14 Limitation of liability

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

14.2 You agree to hold harmless and indemnify us against any misrepresentation, whether intentional or unintentional, supplied to us orally or in writing in connection with this agreement and that you will not bring any claim in connection with services provided to you by the firm against any of our employees on a personal basis.

15. Insurance

15.1 Our professional indemnity insurance is provided through Alice Castle Limited, 63 St Mary Axe, London EC3A 8AA and complies with ICAEW requirements. The territorial coverage is worldwide excluding professional business carried out from an office in the United States or Canada and excludes any action for a claim brought in any court in the United States and Canada.

16. Other regulatory matters

16.1 Codes of Conduct and Ethics applicable to us may be viewed (in English) at:
<https://www.icaew.com/en/technical/ethics/icaew-code-of-ethics> and
[icaew.com/en/membership/regulations-standards-and-guidance](https://www.icaew.com/en/membership/regulations-standards-and-guidance)

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